

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2021

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)

Not applicable.

(Former name, former address and former fiscal year, if changed since last report)

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 1/1,000th interest in a share of Series A Fixed-Rate Reset Cumulative Preferred Stock	WCC PR A	New York Stock Exchange

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 files). Yes No

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

Large accelerated filer	<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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of August 5, 2021, 50,374,291 shares of common stock, \$0.01 par value, of the registrant were outstanding.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

QUARTERLY REPORT ON FORM 10-Q

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

The interim financial information required by this item is set forth in the unaudited Condensed Consolidated Financial Statements and Notes thereto in this Quarterly Report on Form 10-Q, as follows:

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)
(unaudited)

Assets	As of	
	June 30, 2021	December 31, 2020
Current assets:		
Cash and cash equivalents	\$ 287,891	\$ 449,135
Trade accounts receivable, net of allowance for expected credit losses of \$36,288 and \$23,909 in 2021 and 2020, respectively	2,842,187	2,466,903
Other accounts receivable	266,835	239,199
Inventories	2,436,522	2,163,831
Prepaid expenses and other current assets	162,312	187,910
Total current assets	5,995,747	5,506,978
Property, buildings and equipment, net of accumulated depreciation of \$339,295 and \$312,106 in 2021 and 2020, respectively	384,232	399,157
Operating lease assets	510,513	534,705
Intangible assets, net	2,020,538	2,065,495
Goodwill	3,223,511	3,187,169
Other assets	164,538	131,637
Assets held for sale	—	55,073
Total assets	\$ 12,299,079	\$ 11,880,214
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 2,192,782	\$ 1,707,329
Accrued payroll and benefit costs	220,049	198,535
Short-term debt and current portion of long-term debt, net of debt issuance costs of \$2,217 and \$1,039 in 2021 and 2020, respectively	366,965	528,830
Other current liabilities	522,160	552,301
Total current liabilities	3,301,956	2,986,995
Long-term debt, net of debt discount and debt issuance costs of \$78,278 and \$87,142 in 2021 and 2020, respectively	4,303,124	4,369,953
Operating lease liabilities	391,608	414,889
Deferred income taxes	488,710	488,261
Other noncurrent liabilities	288,680	278,010
Liabilities held for sale	—	5,717
Total liabilities	\$ 8,774,078	\$ 8,543,825
Commitments and contingencies (Note 11)		
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 2021 and 2020	—	—
Common stock, \$.01 par value; 210,000,000 shares authorized, 67,919,962 and 67,596,515 shares issued, and 50,298,404 and 50,064,985 shares outstanding in 2021 and 2020, respectively	680	676
Class B nonvoting convertible common stock, \$.01 par value; 20,000,000 shares authorized, 4,339,431 issued and no shares outstanding in 2021 and 2020, respectively	43	43
Additional capital	1,953,653	1,942,810
Retained earnings	2,750,665	2,601,662
Treasury stock, at cost; 21,960,989 and 21,870,961 shares in 2021 and 2020, respectively	(947,698)	(938,335)
Accumulated other comprehensive loss	(225,074)	(263,134)
Total WESCO International, Inc. stockholders' equity	3,532,269	3,343,722
Noncontrolling interests	(7,268)	(7,333)
Total stockholders' equity	3,525,001	3,336,389
Total liabilities and stockholders' equity	\$ 12,299,079	\$ 11,880,214

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

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(In thousands, except per share data)
(unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2021	2020	2021	2020
Net sales	\$ 4,595,790	\$ 2,086,706	\$ 8,637,267	\$ 4,055,353
Cost of goods sold (excluding depreciation and amortization)	3,630,633	1,692,931	6,861,074	3,285,179
Selling, general and administrative expenses	699,581	359,750	1,336,157	659,143
Depreciation and amortization	46,704	18,755	87,913	34,848
Income from operations	218,872	15,270	352,123	76,183
Interest expense, net	67,590	61,270	137,963	77,862
Other income, net	(802)	(687)	(3,609)	(807)
Income (loss) before income taxes	152,084	(45,313)	217,769	(872)
Provision for income taxes	32,800	(10,854)	39,331	(587)
Net income (loss)	119,284	(34,459)	178,438	(285)
Less: Net income (loss) attributable to noncontrolling interests	89	47	65	(185)
Net income (loss) attributable to WESCO International, Inc.	119,195	(34,506)	178,373	(100)
Less: Preferred stock dividends	14,352	1,276	28,704	1,276
Net income (loss) attributable to common stockholders	<u>\$ 104,843</u>	<u>\$ (35,782)</u>	<u>\$ 149,669</u>	<u>\$ (1,376)</u>
Other comprehensive income (loss):				
Foreign currency translation adjustments	21,219	42,734	38,060	(51,117)
Comprehensive income (loss) attributable to common stockholders	<u>\$ 126,062</u>	<u>\$ 6,952</u>	<u>\$ 187,729</u>	<u>\$ (52,493)</u>
Earnings (loss) per share attributable to common stockholders				
Basic	\$ 2.09	\$ (0.84)	\$ 2.98	\$ (0.03)
Diluted	\$ 2.02	\$ (0.84)	\$ 2.89	\$ (0.03)

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

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(unaudited)

	Six Months Ended June 30	
	2021	2020
Operating activities:		
Net income (loss)	\$ 178,438	\$ (285)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	87,913	34,848
Stock-based compensation expense	13,179	9,527
Amortization of debt discount and debt issuance costs	9,197	2,058
Gain on divestitures, net (Note 4)	(8,927)	—
Other operating activities, net	3,365	(4,079)
Deferred income taxes	(2,959)	1,062
Changes in assets and liabilities:		
Trade accounts receivable, net	(372,287)	29,302
Other accounts receivable	(25,394)	20,476
Inventories	(268,272)	55,431
Other current and noncurrent assets	(14,291)	(28,078)
Accounts payable	474,918	(83,085)
Accrued payroll and benefit costs	1,911	1,701
Other current and noncurrent liabilities	26,004	93,810
Net cash provided by operating activities	102,795	132,688
Investing activities:		
Capital expenditures	(20,191)	(27,163)
Acquisition payments (Note 4)	—	(3,708,325)
Proceeds from divestitures (Note 4)	54,346	—
Other investing activities, net	(1,801)	7,533
Net cash provided by (used in) investing activities	32,354	(3,727,955)
Financing activities:		
Repayments of short-term debt, net	(10,763)	(10,526)
Repayment of 5.375% Senior Notes due 2021 (Note 8)	(500,000)	—
Proceeds from issuance of long-term debt	1,557,827	4,391,782
Repayments of long-term debt	(1,282,842)	(580,619)
Payments for taxes related to net-share settlement of equity awards	(12,433)	(2,025)
Payment of dividends	(28,704)	—
Debt issuance costs	(1,849)	(79,490)
Other financing activities, net	(10,918)	(6,115)
Net cash (used in) provided by financing activities	(289,682)	3,713,007
Effect of exchange rate changes on cash and cash equivalents	(6,711)	(3,420)
Net change in cash and cash equivalents	(161,244)	114,320
Cash and cash equivalents at the beginning of period	449,135	150,902
Cash and cash equivalents at the end of period	\$ 287,891	\$ 265,222
Supplemental disclosures:		
Cash paid for interest	\$ 128,211	\$ 29,828
Cash paid for income taxes	\$ 40,883	\$ 9,894
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 56,748	\$ 73,137

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

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except shares)
(unaudited)

	Common Stock		Class B Common Stock		Series A Preferred Stock		Additional Capital	Retained Earnings (Deficit)	Treasury Stock		Noncontrolling Interests	Accumulated Other Comprehensive Income (Loss)
	Amount	Shares	Amount	Shares	Amount	Shares			Amount	Shares		
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)
Exercise of stock-based awards	2	165,641					(38)		(1,421)	(15,330)		
Stock-based compensation expense							5,954					
Tax withholding related to vesting of restricted stock units and retirement of common stock	—	(35,289)					(2,209)	(617)				
Noncontrolling interests											(24)	
Net income attributable to WESCO								59,178				
Preferred stock dividends								(14,352)				
Translation adjustments												16,841
Balance, March 31, 2021	\$ 678	67,726,867	\$ 43	4,339,431	\$ —	21,612	\$ 1,946,517	\$ 2,645,871	\$ (939,756)	(21,886,291)	\$ (7,357)	\$ (246,293)
Exercise of stock-based awards	2	194,615					(1)		(7,942)	(74,698)		
Stock-based compensation expense							7,225					
Tax withholding related to vesting of restricted stock units and retirement of common stock	—	(1,520)					(88)	(49)				
Noncontrolling interests											89	
Net income attributable to WESCO								119,195				
Preferred stock dividends								(14,352)				
Translation adjustments												21,219
Balance, June 30, 2021	\$ 680	67,919,962	\$ 43	4,339,431	\$ —	21,612	\$ 1,953,653	\$ 2,750,665	\$ (947,698)	(21,960,989)	\$ (7,268)	\$ (225,074)

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

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except shares)
(unaudited)

	Common Stock		Class B Common Stock		Series A Preferred Stock		Additional Capital	Retained Earnings (Deficit)	Treasury Stock		Noncontrolling Interests	Accumulated Other Comprehensive Income (Loss)
	Amount	Shares	Amount	Shares	Amount	Shares			Amount	Shares		
Balance, December 31, 2019	\$ 593	59,308,018	\$ 43	4,339,431	\$ —	—	\$ 1,039,347	\$ 2,530,429	\$ (937,157)	(21,850,356)	\$ (6,812)	\$ (367,772)
Exercise of stock-based awards	1	105,620					(39)		79	2,020		
Stock-based compensation expense							4,626					
Tax withholding related to vesting of restricted stock units and retirement of common stock	—	(31,680)					(2,297)	761				
Noncontrolling interests											(232)	
Net income attributable to WESCO								34,407				
Translation adjustments												(93,851)
Balance, March 31, 2020	\$ 594	59,381,958	\$ 43	4,339,431	\$ —	—	\$ 1,041,637	\$ 2,565,597	\$ (937,078)	(21,848,336)	\$ (7,044)	\$ (461,623)
Exercise of stock-based awards	—	30,665					—		(437)	(10,858)		
Stock-based compensation expense							4,901					
Tax withholding related to vesting of restricted stock units and retirement of common stock	—	(652)					(37)	27				
Capital stock issuance	82	8,150,228			—	21,612	886,740					
Noncontrolling interests											47	
Net loss attributable to WESCO								(34,506)				
Preferred stock dividends								(1,276)				
Translation adjustments												42,734
Balance, June 30, 2020	\$ 676	67,562,199	\$ 43	4,339,431	\$ —	21,612	\$ 1,933,241	\$ 2,529,842	\$ (937,515)	(21,859,194)	\$ (6,997)	\$ (418,889)

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

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

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.

The Company has operating segments that are organized around three strategic business units consisting of Electrical & Electronic Solutions ("EES"), Communications & Security Solutions ("CSS") and Utility & Broadband Solutions ("UBS").

2. ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements of WESCO have been prepared in accordance with Rule 10-01 of Regulation S-X of the Securities and Exchange Commission (the "SEC"). The unaudited condensed consolidated financial information should be read in conjunction with the audited Consolidated Financial Statements and Notes thereto included in WESCO's 2020 Annual Report on Form 10-K as filed with the SEC on March 1, 2021. The Condensed Consolidated Balance Sheet at December 31, 2020 was derived from the audited Consolidated Financial Statements as of that date, but does not include all of the disclosures required by accounting principles generally accepted in the United States of America.

The unaudited Condensed Consolidated Balance Sheet as of June 30, 2021, the unaudited Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss), the unaudited Condensed Consolidated Statements of Stockholders' Equity for the three and six months ended June 30, 2021 and 2020, and the unaudited Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2021 and 2020, respectively, in the opinion of management, have been prepared on the same basis as the audited Consolidated Financial Statements and include all adjustments necessary for the fair statement of the results of the interim periods presented herein. All adjustments reflected in the unaudited condensed consolidated financial information are of a normal recurring nature unless indicated. The results for the interim periods presented herein are not necessarily indicative of the results to be expected for the full year.

Prior to the completion of its merger with Anixter International Inc. ("Anixter") on June 22, 2020, as described in Note 4, "Acquisitions and Disposals", 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 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 financial information used by the CODM to evaluate the performance of the Company's operating segments is disclosed in Note 13, "Business Segments". The applicable comparative financial information reported in the Company's previously issued interim financial statements for the three and six months ended June 30, 2020 has been recast in this Quarterly Report on Form 10-Q to conform to the basis of the new segments.

Reclassifications

For the three and six months ended June 30, 2020, \$0.7 million and \$0.8 million, respectively, of other non-operating income has been reclassified from "net interest and other" to "other income, net" in the unaudited Condensed Consolidated Statements of Loss and Comprehensive Loss. For the six months ended June 30, 2020, stock-based compensation of \$9.5 million and amortization of debt discount and debt issuance costs of \$2.1 million have been reclassified from other operating activities in the unaudited Condensed Consolidated Statement of Cash Flows. These reclassifications have been made to conform to the current period presentation.

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

Change in Estimates

During the second quarter of 2021, the Company established a new corporate brand strategy that will result in migrating certain legacy WESCO sub-brands to a master brand architecture. The Company accounts for the trademarks associated with these sub-brands as intangible assets. As of December 31, 2020, \$39.1 million of the trademarks impacted by the master brand strategy had indefinite lives and \$9.5 million had remaining estimated useful lives ranging from 3 to 8 years. The Company continually evaluates whether events or circumstances have occurred that would require a change to the estimated useful lives of indefinite-lived and definite lived intangible assets. When such a change is warranted, the remaining carrying amount of the intangible asset is amortized prospectively over the revised remaining useful life. Accordingly, during the second quarter of 2021, the Company changed the estimated useful lives of the trademarks affected by the new corporate brand strategy to coincide with the expected period of time to migrate such sub-brands to the master brand architecture. The Company assigned remaining estimated useful lives to these trademarks, including those that previously had indefinite lives, ranging from less than one year to 5 years. The Company assessed these intangible assets for impairment prior to amortizing them over their revised estimated remaining useful lives. No impairment losses were identified as a result of these tests.

Recently Adopted Accounting Pronouncements

In December 2019, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("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. The Company adopted this ASU in the first quarter of 2021. 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 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 EES, CSS and UBS 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)	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2021	2020	2021	2020
EES	\$ 1,923,011	\$ 1,043,294	\$ 3,643,824	\$ 2,157,766
CSS	1,461,120	341,470	2,711,735	565,185
UBS	1,211,659	701,942	2,281,708	1,332,402
Total by segment	\$ 4,595,790	\$ 2,086,706	\$ 8,637,267	\$ 4,055,353

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

(In thousands)	Three Months Ended June 30		Six Months Ended June 30	
	2021	2020	2021	2020
United States	\$ 3,318,311	\$ 1,587,063	\$ 6,248,747	\$ 3,065,557
Canada	703,135	352,719	1,310,887	730,134
Other International ⁽¹⁾	574,344	146,924	1,077,633	259,662
Total by geography ⁽²⁾	\$ 4,595,790	\$ 2,086,706	\$ 8,637,267	\$ 4,055,353

⁽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 June 30, 2021 and December 31, 2020, \$43.0 million and \$24.3 million, respectively, of deferred revenue was recorded as a component of other current liabilities in the Condensed Consolidated Balance Sheets.

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 three months ended June 30, 2021 and 2020 by approximately \$112.4 million and \$31.7 million, respectively, and by approximately \$217.8 million and \$54.9 million for the six months ended June 30, 2021 and 2020, respectively. As of June 30, 2021 and December 31, 2020, the Company's estimated product return obligation was \$39.6 million and \$38.9 million, respectively.

Shipping and handling activities are recognized in net sales when they are billed to 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 \$62.7 million and \$20.9 million for the three months ended June 30, 2021 and 2020, respectively, and \$116.0 million and \$38.9 million for the six months ended June 30, 2021 and 2020, respectively.

4. ACQUISITIONS AND DISPOSALS

Anixter International Inc.

On June 22, 2020, WESCO completed its 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 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.

The Company used the net proceeds from the issuance of senior unsecured notes, borrowings under its revolving credit and accounts receivable securitization facilities, 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 depositary 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 was 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.

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

The total 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 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 as Level 3 in 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.

During the second quarter of 2021, the Company finalized its allocation of the purchase consideration to the respective fair values of assets acquired and liabilities assumed in the acquisition of Anixter. As the Company obtained additional information during the measurement period (one year from the acquisition date), it recorded adjustments to its preliminary estimates of fair value, which are presented in the table below. The net impact of these adjustments was an increase to goodwill of \$13.4 million in the second quarter of 2021 and \$16.4 million since the Company's initial estimate.

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

	Preliminary Fair Value Estimates	Measurement Period Adjustments	Final Purchase Pr Allocation
Assets	(In thousands)		
Cash and cash equivalents	\$ 103,463	\$ —	\$ 103,4
Trade accounts receivable	1,309,894	(8,928)	1,300,9
Other accounts receivable	116,386	—	116,3
Inventories	1,424,768	(14,906)	1,409,8
Prepaid expenses and other current assets	53,462	14,202	67,6
Property, buildings and equipment	215,513	(3,792)	211,7
Operating lease assets	262,238	18,047	280,2
Intangible assets	1,832,700	5,365	1,838,0
Goodwill	1,367,981	16,356	1,384,3
Other assets	114,258	25,589	139,8
Total assets	\$ 6,800,663	\$ 51,933	\$ 6,852,5
Liabilities			
Accounts payable	\$ 920,163	\$ (1,239)	\$ 918,9
Accrued payroll and benefit costs	69,480	—	69,4
Short-term debt and current portion of long-term debt	13,225	—	13,2
Other current liabilities	221,574	12,745	234,3
Long-term debt	77,822	(205)	77,6
Operating lease liabilities	200,286	17,017	217,3
Deferred income taxes	392,165	(15,111)	377,0
Other noncurrent liabilities	207,612	38,726	246,3
Total liabilities	\$ 2,102,327	\$ 51,933	\$ 2,154,2
Fair value of net assets acquired, including goodwill and intangible assets	<u>\$ 4,698,336</u>	<u>\$ —</u>	<u>\$ 4,698,3</u>

The following table sets forth the 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⁾ During the three months ended December 31, 2020, the Company recorded measurement period adjustments to the estimated useful lives initially assigned to customer relationships, which resulted in income of \$6.4 million.

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The results of operations of Anixter are included in the unaudited condensed consolidated financial statements beginning on June 22, 2020, the acquisition date. For the three and six months ended June 30, 2021, the condensed consolidated statements of income include \$2.5 billion and \$4.6 billion of net sales, respectively, and \$166.2 million and \$271.6 million of income from operations, respectively, for Anixter. For the three and six months ended June 30, 2020, the condensed consolidated statements of loss include \$221.9 million of net sales and \$18.4 million of income from operations for Anixter. For the three months ended June 30, 2021 and 2020, the Company incurred costs related to the merger of \$37.7 million and \$73.3 million, respectively, which primarily consist of advisory, legal, integration, separation and other costs. For the six months ended June 30, 2021 and 2020, such costs were \$84.0 million and \$78.0 million, respectively. These costs are included in selling, general and administrative expenses for all periods presented.

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 9, "Employee Benefit Plans", as well as the respective income tax effects of such adjustments. For the three and six months ended June 30, 2020, adjustments totaling \$61.5 million and \$11.3 million, respectively increased the unaudited pro forma net income attributable to common stockholders. 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 periods, nor is it necessarily indicative of future results of operations of the combined company.

(In thousands)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2020		2020	
Pro forma net sales ⁽¹⁾	\$	3,705,913	\$	7,746,260
Pro forma net income attributable to common stockholders ⁽¹⁾		32,493		52,373

⁽¹⁾ The Company reported pro forma net sales and pro forma net income attributable to common stockholders for the three and six months ended June 30, 2020 in the Notes to Condensed Consolidated Financial Statements of its Quarterly Report on Form 10-Q for the period ended June 30, 2020 of \$3,678.5 million and \$7,691.3 million, respectively, and \$29.4 million and \$47.4 million, respectively. These amounts excluded the financial results of WESCO's legacy utility and data communications businesses in Canada, which were divested in the first quarter of 2021 under a Consent Agreement with the Competition Bureau of Canada, as described below.

Canadian Divestitures

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 was required to divest certain legacy WESCO utility and data communications businesses in Canada. In February 2021, the Company completed such divestitures for cash consideration totaling \$54.3 million. The Company recognized a net gain from the sale of these businesses of \$8.9 million, which is reported as a component of selling, general and administrative expenses for the six months ended June 30, 2021. These sales fulfilled the Company's divestiture commitments under the Consent Agreement and the net cash proceeds were used to repay debt.

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5. GOODWILL AND INTANGIBLE ASSETS

Goodwill

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

	Six Months Ended June 30, 2021			
	EES	CSS	UBS	Total
	(In thousands)			
Beginning balance January 1 ⁽¹⁾	\$ 853,456	\$ 1,115,500	\$ 1,218,213	\$ 3,187,169
Adjustments to goodwill for acquisitions (Note 4) ⁽²⁾	5,254	8,602	85	13,941
Foreign currency exchange rate changes	12,334	1,438	8,629	22,401
Ending balance June 30	<u>\$ 871,044</u>	<u>\$ 1,125,540</u>	<u>\$ 1,226,927</u>	<u>\$ 3,223,511</u>

⁽¹⁾ The beginning balance excludes \$26.1 million of goodwill that was classified as held for sale on the UBS segment as of December 31, 2020 and disposed in the first quarter of 2021 as part of the divestitures disclosed in Note 4, "Acquisitions and Disposals".

⁽²⁾ Includes the effect on goodwill of the adjustments to the assets acquired and liabilities assumed in the merger with Anixter since their initial measurement, as described in Note 4, "Acquisitions and Disposals".

Intangible Assets

The components of intangible assets are as follows:

	Life (in years)	June 30, 2021			December 31, 2020		
		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	\$ 795,926	\$ —	\$ 795,926	\$ 833,793	\$ —	\$ 833,793
Customer relationships ⁽²⁾	10 - 20	1,439,769	(271,054)	1,168,715	1,434,554	(227,585)	1,206,969
Distribution agreements ⁽²⁾	10 - 19	29,212	(21,884)	7,328	29,212	(21,040)	8,172
Trademarks ⁽²⁾	Less than 1 - 15	64,047	(17,434)	46,613	24,898	(11,415)	13,483
Non-compete agreements	2 - 5	4,374	(2,418)	1,956	4,462	(1,384)	3,078
		<u>\$ 2,333,328</u>	<u>\$ (312,790)</u>	<u>\$ 2,020,538</u>	<u>\$ 2,326,919</u>	<u>\$ (261,424)</u>	<u>\$ 2,065,495</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 excluded \$1.0 million of trademarks, \$3.3 million of customer relationships and \$1.4 million of distribution agreements that were classified as held for sale and disposed in the first quarter of 2021 as part of the divestitures disclosed in Note 4, "Acquisitions and Disposals".

Amortization expense related to intangible assets totaled \$27.1 million and \$10.1 million for the three months ended June 30, 2021 and 2020, respectively, and \$48.7 million and \$18.6 million for the six months ended June 30, 2021 and 2020, respectively. For the three and six months ended June 30, 2021, amortization expense includes \$5.0 million resulting from the changes in estimated useful lives of certain legacy WESCO trademarks that are migrating to the Company's master brand architecture, as described in Note 2, "Accounting Policies".

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

For year ending December 31,	(In thousands)	
2021	\$	70,996
2022		93,064
2023		83,704
2024		81,224
2025		78,089
Thereafter		817,535

6. STOCK-BASED COMPENSATION

WESCO sponsors a stock-based compensation plan. On May 27, 2021, the Company's stockholders approved the WESCO International, Inc. 2021 Omnibus Incentive Plan (the "2021 Plan"). The 2021 Plan is administered by the Compensation Committee of the Company's Board of Directors.

The 2021 Plan was designed to be the successor plan to all prior stock-based compensation plans. Accordingly, no new awards may be granted under the Company's 1999 Long-Term Incentive Plan, as amended and restated (the "1999 Plan") or any other prior plan. Awards outstanding under any such prior plans will remain in full force and effect under such plans according to their respective terms. To the extent that any such award is forfeited, terminates, expires or lapses without being exercised, or is settled for cash, the shares subject to such award not delivered will again be available for awards under the 2021 Plan.

The maximum number of shares of the Company's common stock that may be granted pursuant to awards under the 2021 Plan is 2,150,000, less any shares issued under the 1999 Plan after March 31, 2021 and until the annual stockholders meeting in May 2021. If any award granted under the 2021 Plan is forfeited, terminates, expires or lapses instead of being exercised, or is settled for cash, the shares subject to such award will again be available for grant under the 2021 Plan. Shares delivered by participants or withheld by the Company to pay all or a portion of the exercise price or withholding taxes with respect to stock option or stock appreciation right awards will not again be available for issuance. Shares delivered by participants or withheld by the Company to satisfy applicable tax withholding obligations with respect to a full-value award (i.e., restricted shares or restricted stock units) will again be available for grant under the 2021 Plan.

WESCO's stock-based employee compensation awards outstanding under the 1999 Plan 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.

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. Restricted stock unit awards granted in February 2020 and prior vest based on a minimum time period of three years. The special award described below vests in tranches. Restricted stock units awarded in 2021 vest ratably over a three-year period on each of the first, second and third anniversaries of the grant date. 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.

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Performance-based awards granted in 2021, 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.

During the three and six months ended June 30, 2021 and 2020, WESCO granted the following stock-settled stock appreciation rights, restricted stock units and performance-based awards at the following weighted-average fair values:

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Stock-settled stock appreciation rights granted	3,398	—	139,592	262,091
Weighted-average fair value	\$ 38.62	\$ —	\$ 33.19	\$ 13.86
Restricted stock units granted	6,861	—	307,583	211,450
Weighted-average fair value	\$ 86.91	\$ —	\$ 77.12	\$ 48.32
Performance-based awards granted	3,020	—	122,812	158,756
Weighted-average fair value	\$ 86.91	\$ —	\$ 76.76	\$ 48.67

The fair value of stock-settled stock appreciation rights was estimated using the following weighted-average assumptions:

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Risk free interest rate	1.3 %	n/a	0.8 %	1.4 %
Expected life (in years)	7	n/a	7	5
Expected volatility	42 %	n/a	41 %	30 %

The risk-free interest rate is based on the U.S. Treasury Daily Yield Curve 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 price over the expected life preceding the grant date of the award.

The following table sets forth a summary of stock-settled stock appreciation rights and related information for the six months ended June 30, 2021:

	Awards	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (In years)	Aggregate Intrinsic Value (In thousands)
Outstanding at December 31, 2020	2,161,556	\$ 60.48		
Granted	139,592	77.05		
Exercised	(558,550)	54.65		
Forfeited	(12,719)	52.57		
Outstanding at June 30, 2021	1,729,879	63.76	5.9	\$ 69,154
Exercisable at June 30, 2021	1,359,501	\$ 64.73	5.1	\$ 53,041

For the six months ended June 30, 2021, the aggregate intrinsic value of stock-settled stock appreciation rights exercised during such period was \$24.9 million.

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The following table sets forth a summary of time-based restricted stock units and related information for the six months ended June 30, 2021:

	Awards	Weighted-Average Fair Value
Unvested at December 31, 2020	921,495	\$ 43.15
Granted	307,583	77.12
Vested	(226,943)	43.89
Forfeited	(25,134)	59.90
Unvested at June 30, 2021	<u>977,001</u>	<u>\$ 53.23</u>

The following table sets forth a summary of performance-based awards for the six months ended June 30, 2021:

	Awards	Weighted-Average Fair Value
Unvested at December 31, 2020	305,269	\$ 52.61
Granted	122,812	76.76
Vested	(22,371)	62.34
Forfeited	(27,802)	59.87
Unvested at June 30, 2021	<u>377,908</u>	<u>\$ 59.35</u>

Vesting of the 377,908 shares of performance-based awards in the table above is dependent upon the achievement of certain performance targets, including half that are dependent upon the three-year average growth rate of WESCO's net income and the other half 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.

WESCO recognized \$7.2 million and \$4.9 million of non-cash stock-based compensation expense, which is included in selling, general and administrative expenses, for the three months ended June 30, 2021 and 2020, respectively. WESCO recognized \$13.2 million and \$9.5 million of non-cash stock-based compensation expense, which is included in selling, general and administrative expenses, for the six months ended June 30, 2021 and 2020, respectively. As of June 30, 2021, there was \$55.3 million of total unrecognized compensation expense related to non-vested stock-based compensation arrangements for all awards previously made of which approximately \$14.8 million is expected to be recognized over the remainder of 2021, \$23.9 million in 2022, \$15.2 million in 2023 and \$1.4 million in 2024.

7. 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.

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

(In thousands, except per share data)	Three Months Ended June 30		Six Months Ended June 30	
	2021	2020	2021	2020
Net income (loss) attributable to WESCO International, Inc.	\$ 119,195	\$ (34,506)	\$ 178,373	\$ (10,372)
Less: Preferred stock dividends	14,352	1,276	28,704	1,276
Net income (loss) attributable to common stockholders	\$ 104,843	\$ (35,782)	\$ 149,669	\$ (13,924)
Weighted-average common shares outstanding used in computing basic earnings per share	50,243	42,683	50,184	42,200
Common shares issuable upon exercise of dilutive equity awards	1,751	92	1,691	1,200
Weighted-average common shares outstanding and common share equivalents, diluted	51,994	42,775	51,875	42,400
Weighted-average common shares outstanding and common share equivalents used in computing diluted earnings (loss) per share	51,994	42,683	51,875	42,200
Earnings (loss) per share attributable to common stockholders				
Basic	\$ 2.09	\$ (0.84)	\$ 2.98	\$ (0.33)
Diluted	\$ 2.02	\$ (0.84)	\$ 2.89	\$ (0.33)

For the three and six months ended June 30, 2021, the computation of diluted earnings per share attributable to common stockholders excluded stock-based awards of approximately 0.1 million. For the three and six months ended June 30, 2020, the computation of diluted loss per share attributable to common stockholders excluded stock-based awards of approximately 3.0 million and 2.8 million, respectively. These amounts were excluded because their effect would have been antidilutive.

8. DEBT

The following table sets forth WESCO's outstanding indebtedness:

	As of	
	June 30, 2021	December 31, 2020
	(In thousands)	
International lines of credit	\$ 17,967	\$ 29,575
Accounts Receivable Securitization Facility	1,180,000	950,000
Revolving Credit Facility	295,000	250,000
5.375% Senior Notes due 2021	—	500,000
5.50% Anixter Senior Notes due 2023	58,636	58,636
5.375% Senior Notes due 2024	350,000	350,000
6.00% Anixter Senior Notes due 2025	4,173	4,173
7.125% Senior Notes due 2025	1,500,000	1,500,000
7.250% Senior Notes due 2028, less debt discount of \$8,710 and \$9,332 in 2021 and 2020, respectively	1,316,290	1,315,668
Finance lease obligations	18,501	17,931
Total debt	4,740,567	4,975,983
Plus: Fair value adjustment to the Anixter Senior Notes	1,306	1,650
Less: Unamortized debt issuance costs	(71,784)	(78,850)
Less: Short-term debt and current portion of long-term debt	(366,965)	(528,830)
Total long-term debt	\$ 4,303,124	\$ 4,369,953

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Accounts Receivable Securitization Facility

On June 1, 2021, WESCO Distribution amended its accounts receivable securitization facility (the “Receivables Facility”) pursuant to the terms and conditions of a Third Amendment to the Fifth Amended and Restated Receivables Purchase Agreement (the “Receivables Amendment”), 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 Amendment amends the amended and restated receivables purchase agreement entered into on June 22, 2020 (the “Receivables Purchase Agreement”). The Receivables Amendment, among other things, increased the purchase limit under the Receivables Purchase Agreement from \$1,200 million to \$1,300 million, extended the maturity date from June 22, 2023 to June 21, 2024, decreased the LIBOR floor from 0.50% to 0.00% and decreased the interest rate spread from 1.20% to 1.15%. The commitment fee of the Receivables Facility remained 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.

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 were 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 were unsecured senior obligations of WESCO Distribution and were guaranteed on a senior unsecured basis by WESCO International. The 2021 Notes had a stated interest rate of 5.375% per annum, payable semi-annually in arrears on June 15 and December 15 of each year. The 2021 Notes had a maturity date of December 15, 2021 and were redeemable in whole or in part at any time. The net proceeds of the 2021 Notes were used to prepay a portion of the U.S. sub-facility of the then outstanding 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 2021 Indenture, issued a notice of redemption to registered holders of the 2021 Notes.

On January 14, 2021, WESCO Distribution redeemed the \$500 million aggregate principal amount of the 2021 Notes at a redemption price equal to 100% of the principal amount plus accrued interest to, but not including, January 14, 2021. The redemption of the 2021 Notes was funded with available cash, as well as borrowings under the Company's accounts receivable securitization and revolving credit facilities. The Company recognized a loss of \$1.0 million from the redemption of the 2021 Notes resulting from the write-off of unamortized debt issuance costs, which is recorded as a component of interest expense, net in the Condensed Consolidated Statement of Income and Comprehensive Income for the six months ended June 30, 2021.

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. The 2024 Notes mature on June 15, 2024. The Company used the net proceeds to redeem its 6.0% Convertible Senior Debentures due 2029.

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(unaudited)

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.

On June 2, 2021, WESCO Distribution exercised its right to redeem the entire \$350 million aggregate principal amount of the 2024 Notes, and U.S. Bank, National Association, as trustee under the 2024 Indenture, issued a notice of redemption to registered holders of the 2024 Notes. The date fixed for the redemption of the 2024 Notes is July 2, 2021. Accordingly, the 2024 Notes are classified as a component of short-term debt and current portion of long-term debt in the Condensed Consolidated Balance Sheet as of June 30, 2021. The 2024 Notes will be redeemed at a redemption price equal to 101.344% of the principal amount of the 2024 Notes plus accrued interest on the 2024 Notes to, but not including, July 2, 2021.

9. 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. The Company may also make, subject to the Board of Directors' approval, a discretionary contribution to the defined contribution retirement savings plan covering U.S. participants if certain predetermined profit levels are attained.

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.

WESCO incurred charges of \$16.1 million and \$3.4 million for the three months ended June 30, 2021 and 2020, respectively, and \$32.7 million and \$9.1 million for the six months ended June 30, 2021 and 2020, 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 June 30, 2021, the Company's obligation under the WESCO Deferred Compensation Plan was \$19.3 million, which was included in other noncurrent liabilities in the Condensed Consolidated Balance Sheet. As of December 31, 2020, the Company's obligation under the WESCO Deferred Compensation Plan was \$27.4 million, of which \$10.1 million was included in other current liabilities and \$17.3 million was in other noncurrent liabilities in the Condensed Consolidated Balance Sheet.

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Anixter Inc. sponsored a non-qualified deferred compensation plan (the "Anixter Deferred Compensation Plan") that permitted select employees to make pre-tax deferrals of salary and bonus. Interest was 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 was further adjusted if certain financial goals were achieved. In the fourth quarter of 2020, the Company terminated the Anixter Deferred Compensation Plan. Accordingly, the deferred compensation liability of \$45.1 million was classified in other current liabilities in the Condensed Consolidated Balance Sheet at December 31, 2020. In the second quarter of 2021, the Company settled the liability for the Anixter Deferred Compensation Plan by making lump sum payments of \$42.8 million directly to participants.

The Company held assets in a Rabbi Trust arrangement to provide for the liability associated with the Anixter Deferred Compensation Plan. The assets were invested in marketable securities. As of December 31, 2020, the assets held in this arrangement were \$39.6 million and were recorded in other current assets in the Condensed Consolidated Balance Sheets. In the second quarter of 2021, the Company liquidated this investment arrangement for approximately \$39.7 million and used the proceeds to fund the settlement of the Anixter Deferred Compensation Plan described above.

Defined Benefit Plans

WESCO sponsors a contributory defined benefit plan (the "EECOL Plan") covering substantially all Canadian employees of EECOL Electric Corp. and a Supplemental Executive Retirement Plan for certain executives of EECOL Electric Corp. (the "EECOL SERP").

Anixter Inc. sponsors 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"). 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 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 terminated 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 were classified as current in the Condensed Consolidated Balance Sheet at December 31, 2020. In the second quarter of 2021, the Company settled its liability for the Anixter Inc. Executive Benefit Plan by making lump sum payments of \$10.4 million directly to participants. The Company expects to make lump sum payments directly to participants of the Anixter SERP during the second half of 2021.

The Domestic Plans are funded as required by the Employee Retirement Income Security Act of 1974 ("ERISA") and the Internal Revenue Service and the Foreign Plans are funded as required by applicable foreign laws. The EECOL SERP and the Anixter SERP are unfunded plans.

The Company made aggregate cash contributions to its Foreign Plans of \$3.1 million and \$0.8 million during the three months ended June 30, 2021 and 2020, respectively, and \$5.7 million and \$1.8 million during the six months ended June 30, 2021 and 2020, respectively.

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The following tables set forth the components of net periodic pension (benefit) cost for the Company's defined benefit plans:

(In thousands)	Three Months Ended											
	June 30, 2021		June 30, 2020		June 30, 2021		June 30, 2020					
	Domestic Plans ⁽¹⁾		Foreign Plans ⁽¹⁾		Total		Total					
Service cost	\$	763	\$	121	\$	3,316	\$	1,547	\$	4,079	\$	1,668
Interest cost		1,941		265		2,514		1,023		4,455		1,288
Expected return on plan assets		(4,327)		(457)		(4,365)		(1,531)		(8,692)		(1,988)
Recognized actuarial gain ⁽²⁾		—		—		106		26		106		26
Settlement		(19)		—		—		—		(19)		—
Net periodic pension (benefit) cost	\$	(1,642)	\$	(71)	\$	1,571	\$	1,065	\$	(71)	\$	994

(In thousands)	Six Months Ended											
	June 30, 2021		June 30, 2020		June 30, 2021		June 30, 2020					
	Domestic Plans ⁽¹⁾		Foreign Plans ⁽¹⁾		Total		Total					
Service cost	\$	1,527	\$	121	\$	6,540	\$	2,856	\$	8,067	\$	2,977
Interest cost		4,077		265		4,960		2,060		9,037		2,325
Expected return on plan assets		(8,827)		(457)		(8,620)		(3,146)		(17,447)		(3,603)
Recognized actuarial gain ⁽²⁾		—		—		207		53		207		53
Settlement		(19)		—		—		—		(19)		—
Net periodic pension (benefit) cost	\$	(3,242)	\$	(71)	\$	3,087	\$	1,823	\$	(155)	\$	1,752

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

⁽²⁾ For the three and six months ended June 30, 2021 and 2020, no amounts were reclassified from accumulated other comprehensive income into net income, respectively.

The service cost of \$4.1 million and \$1.7 million for the three months ended June 30, 2021 and 2020, respectively, and \$8.1 million and \$3.0 million for the six months ended June 30, 2021 and 2020, respectively, is reported as a component of selling, general and administrative expenses. The other components of net periodic pension (benefit) cost totaling net benefits of \$4.2 million and \$0.7 million for the three months ended June 30, 2021 and 2020, respectively, and net benefits of \$8.2 million and \$1.2 million for the six months ended June 30, 2021 and 2020, respectively, are presented as a component of other non-operating income ("other income, net").

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 and directors. 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 June 30, 2021 and December 31, 2020, the estimated fair value of these awards was \$18.2 million and \$22.8 million, respectively. The Company recognized compensation expense associated with these awards of \$0.6 million and \$0.9 million for the three months ended June 30, 2021 and 2020, respectively, and \$6.3 million and \$0.9 million for the six months ended June 30, 2021 and 2020, respectively, which is reported as a component of selling, general and administrative expenses.

10. 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. Except for benefit plan assets, outstanding indebtedness and foreign currency forward contracts, the carrying value of the Company's remaining financial instruments approximates fair value.

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The assets of the Company's various defined benefit plans are primarily comprised of common/collective/pool funds (i.e., mutual funds). These funds are valued at the net asset value (NAV) of shares held in the underlying funds. Investments for which fair value is measured using the NAV per share practical expedient are not classified in the fair value hierarchy.

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 \$3,230.4 million and \$3,730.1 million as of June 30, 2021 and December 31, 2020, respectively. The estimated fair value of this debt was \$3,520.2 million and \$4,084.7 million as of June 30, 2021 and December 31, 2020, respectively. The reported carrying values of WESCO's other debt instruments, including those with variable interest rates, approximated their fair values as of June 30, 2021 and December 31, 2020.

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 June 30, 2021, 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 income, net") in the Condensed Consolidated Statements of Income and Comprehensive Income (Loss) offsetting the transaction gain (loss) recorded on foreign currency-denominated accounts. At June 30, 2021 and December 31, 2020, the gross and net notional amounts of foreign currency forward contracts outstanding were approximately \$215.2 million and \$111.9 million, respectively. 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 Condensed Consolidated Balance Sheets. The gross fair value of assets and liabilities related to foreign currency forward contracts were immaterial.

11. 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.

12. INCOME TAXES

The effective tax rate for the three and six months ended June 30, 2021 was 21.6% and 18.1%, respectively. The effective tax rate for the three and six months ended June 30, 2020 was 24.0% and 67.3%, respectively. WESCO's effective tax rate typically differs from the federal statutory income tax rate due to the tax effect of intercompany financing, foreign tax rate differences, the U.S. taxes imposed on foreign income, nondeductible expenses and state income taxes. The effective tax rate for the three months ended June 30, 2021 is lower than the corresponding quarter of the prior year primarily due to a discrete income tax benefit of \$3.4 million associated with the exercise and vesting of stock-based awards. For the six months ended June 30, 2021, the effective tax rate is lower than the corresponding year-to-date period of the preceding year primarily due to the discrete income tax benefits of \$8.3 million resulting from a change in the valuation allowance recorded against foreign tax credit carryforwards, and \$4.5 million associated with the exercise and vesting of stock-based awards. In addition, the effective tax rates for the prior year periods were higher due to costs incurred to complete the acquisition of Anixter. There have been no material adjustments to liabilities for uncertain tax positions since the last annual disclosure for the year ended December 31, 2020.

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13. BUSINESS SEGMENTS

The Company has operating segments that are organized around three strategic business units consisting of EES, CSS and UBS. These operating segments are equivalent to the Company's reportable segments. The Company's CODM evaluates the performance of its operating segments based primarily on net sales, income from operations, and total assets.

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 are shown in the tables below to reconcile the reportable segments to the consolidated financial statements.

The following tables set forth financial information by reportable segment for the periods presented:

Three Months Ended June 30, 2021					
(In thousands)	EES	CSS	UBS	Corporate	Total
Net sales	\$ 1,923,011	\$ 1,461,120	\$ 1,211,659	\$ —	\$ 4,595,790
Income from operations	153,740	111,257	94,693	(140,818)	218,872
Three Months Ended June 30, 2020					
(In thousands)	EES	CSS	UBS	Corporate	Total
Net sales	\$ 1,043,294	\$ 341,470	\$ 701,942	\$ —	\$ 2,086,706
Income from operations	45,809	27,922	51,774	(110,235)	15,270
Six Months Ended June 30, 2021					
(In thousands)	EES	CSS	UBS	Corporate	Total
Net sales	\$ 3,643,824	\$ 2,711,735	\$ 2,281,708	\$ —	\$ 8,637,267
Income from operations	253,852	185,220	181,723	(268,672)	352,123
Six Months Ended June 30, 2020					
(In thousands)	EES	CSS	UBS	Corporate	Total
Net sales	\$ 2,157,766	\$ 565,185	\$ 1,332,402	\$ —	\$ 4,055,353
Income from operations	89,135	37,868	93,559	(144,379)	76,183

There were no material changes to the amounts of total assets by reportable segment from those disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

14. SUBSEQUENT EVENTS

On July 2, 2021 (the "Redemption Date"), WESCO Distribution, Inc. redeemed the \$350 million aggregate principal amount of its 2024 Notes at a redemption price equal to 101.344% of the principal amount plus accrued interest to, but not including, the Redemption Date. The redemption of the 2024 Notes was funded with borrowings under the Company's accounts receivable securitization and revolving credit facilities.

The redemption of the 2024 Notes will result in a loss on debt extinguishment totaling \$6.9 million, which includes \$4.7 million for the premium paid to redeem the 2024 Notes and \$2.2 million for the write-off of unamortized debt issuance costs. The loss will be recorded as a component of interest expense, net in the Condensed Consolidated Statements of Income and Comprehensive Income for the three and nine months ended September 30, 2021.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion should be read in conjunction with the information in the unaudited condensed consolidated financial statements and notes thereto included herein and WESCO International, Inc.'s audited Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included in its 2020 Annual Report on Form 10-K. The matters discussed herein may contain forward-looking statements that are subject to certain risks and uncertainties that could cause actual results to differ materially from expectations. Certain of these risks are set forth in WESCO International, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2020, as well as WESCO International, Inc.'s other reports filed with the Securities and Exchange Commission (the "SEC").

Company Overview

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, we completed our acquisition of Anixter International Inc. ("Anixter"), a Delaware corporation. Pursuant to the terms of the Agreement and Plan of Merger, dated January 10, 2020, 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.

We employ nearly 18,000 people, maintain relationships with approximately 30,000 suppliers, and serve more than 125,000 customers worldwide. With nearly 1,500,000 products, end-to-end supply chain services, and extensive digital capabilities, we provide innovative solutions to meet current customer needs across commercial and industrial businesses, contractors, government agencies, institutions, telecommunications providers, and utilities. Our innovative value-add 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. We have 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.

During the second quarter of 2021, we established a new corporate brand strategy to adopt a single, master brand architecture. This initiative reflects our corporate integration strategy and simplifies engagement for our customers and suppliers. As a result, we will begin migrating certain legacy WESCO sub-brands to the master brand architecture over the course of the next year.

Prior to the completion of the Merger, we had four operating segments that had been aggregated as one reportable segment. Effective on the date of acquisition, we added Anixter as a separate reportable segment for the quarterly period ended June 30, 2020. At the beginning of the third quarter of 2020, we 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 our previously issued interim financial statements for the three and six months ended June 30, 2020 has been recast in this Quarterly Report on Form 10-Q to conform to the basis of the new segments.

The following is a description of each of our 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-add 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 WESCO's legacy industrial and construction businesses.

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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 WESCO's legacy 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, and WESCO's legacy utility, broadband and integrated supply businesses.

Overall Financial Performance

Our financial results for the first six months of 2021 reflect the merger with Anixter, broad-based sales growth due to strong demand and improved economic conditions, the favorable impacts of margin improvement initiatives and lower operating expenses due to cost reduction actions and integration synergies, partially offset by higher salaries, variable compensation expense and benefit costs.

Net sales for the first six months of 2021 increased \$4.6 billion, or 113.0%, over the corresponding year-to-date period. In addition to the impact from the Merger, the increase reflects improved economic conditions and strong demand. Cost of goods sold as a percentage of net sales and gross margin was 79.4% and 20.6%, respectively, for the first six months of 2021, compared to 81.0% and 19.0%, respectively, for the first six months of 2020. The increase in gross margin of 160 basis points reflects the favorable impact of margin improvement initiatives, partially offset by write-downs to the carrying value of certain personal protective equipment products during the first and second quarters of 2021, which had a negative impact of 20 basis points for the six months ended June 30, 2021.

Operating profit was \$352.1 million for the first six months of 2021, compared to \$76.2 million for the first six months of 2020. Operating profit as a percentage of net sales was 4.1% for the current six-month period, compared to 1.9% for the first six months of the prior year. Operating profit for the first six months of 2021 includes merger-related costs of \$84.0 million and a net gain of \$8.9 million resulting from the sale of WESCO's legacy utility and data communications businesses in Canada during the first quarter of 2021, which were divested in connection with the Merger. Additionally, we recognized \$5.0 million of amortization expense for the six months ended June 30, 2021 resulting from changes in the estimated useful lives of certain legacy WESCO trademarks that are migrating to our master brand architecture, as described in Note 2, "Accounting Policies" of our Notes to the unaudited Condensed Consolidated Financial Statements. Adjusted for these items, operating profit was \$432.3 million, or 5.0% of net sales. For the first six months of 2020, operating profit adjusted for merger-related costs of \$78.0 million was \$154.1 million, or 3.8% of net sales.

Earnings per diluted share for the first six months of 2021 was \$2.89, based on 51.9 million diluted shares, compared to a loss per diluted share of \$0.03 for the first six months of 2020, based on 42.3 million diluted shares. Adjusted for merger-related costs and interest, the net gain on the Canadian divestitures, accelerated trademark amortization expense, and the related income tax effects, earnings per diluted share for the first six months of 2021 and 2020 was \$4.06 and \$2.25, respectively, an increase of 80.4%.

Beginning in 2020, and continuing through the second quarter of 2021, the COVID-19 pandemic had a significant impact on our business, and there continues to be significant uncertainties associated with the COVID-19 pandemic, including with respect to the economic conditions and possible resurgence of COVID, including new variants of the virus in various geographies, and the availability and effectiveness of treatments and vaccines. As the duration and severity of the COVID-19 pandemic remain uncertain and cannot be predicted, there is significant uncertainty as to the ultimate impact it will have on our business and our results of operations and financial condition. 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.

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The products and services that we provide are integral to the daily operations of our customers and accordingly, we have taken actions to maintain the continuity of our operations in response to the pandemic. We have experienced, and may continue to experience, fluctuations in customer demand for certain of our products and services, including changes in project plans or timing due to circumstances affecting our customers, suppliers and other third parties. The full extent to which the COVID-19 pandemic will continue to impact our business and financial results going forward remains highly uncertain and will depend on many factors outside of our control, including the duration and scope of the crisis, the emergence and effects of variants, the 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.

Cash Flow

We generated \$102.8 million of operating cash flow for the first six months of 2021. Cash provided by operating activities included net income of \$178.4 million and adjustments to net income totaling \$101.8 million, which were primarily comprised of depreciation and amortization of \$87.9 million, stock-based compensation expense of \$13.2 million, amortization of debt discount and debt issuance costs of \$9.2 million, a net gain of \$8.9 million resulting from the divestiture of WESCO's legacy utility and data communications businesses in Canada, as described in Note 4, "Acquisitions and Disposals" of our Notes to the unaudited Condensed Consolidated Financial Statements, and deferred income taxes of \$3.0 million. Operating cash flow also included changes in assets and liabilities of \$177.5 million, which were primarily comprised of an increase in trade accounts receivable of \$372.3 million resulting from higher sales in the latter part of the quarter and an increase in inventories of \$268.3 million to support increased customer demand, partially offset by an increase in accounts payable of \$474.9 million due to higher purchases of inventory.

Investing activities included \$54.3 million of net proceeds from the Canadian divestitures and \$20.2 million of capital expenditures.

Financing activities were primarily comprised of the redemption of our \$500.0 million aggregate principal amount of 5.375% Senior Notes due 2021 (the "2021 Notes"), borrowings and repayments of \$914.8 million and \$869.8 million, respectively, related to our revolving credit facility (the "Revolving Credit Facility"), and borrowings and repayments of \$643.0 million and \$413.0 million, respectively, related to our accounts receivable securitization facility (the "Receivables Facility"). Financing activities for the first six months of 2021 also included \$28.7 million of dividends paid to holders of our Series A Preferred Stock, net repayments related to our various international lines of credit of approximately \$10.8 million, and \$12.4 million of payments for taxes related to the exercise and vesting of stock-based awards.

Financing Availability

On June 1, 2021, we amended our Receivables Facility to increase its borrowing capacity from \$1,200 million to \$1,300 million, extend its maturity date from June 22, 2023 to June 21, 2024, decrease its LIBOR floor from 0.50% to 0.00% and decrease its interest rate spread from 1.20% to 1.15%. Borrowings under the amended accounts receivable securitization facility will be used to redeem our \$350 million aggregate principal amount of 5.375% Senior Notes due 2024 (the "2024 Notes"), as described in Note 14, "Subsequent Events" of our Notes to the unaudited Condensed Consolidated Financial Statements.

As of June 30, 2021, we had \$873.1 million in total available borrowing capacity under our Revolving Credit Facility, which was comprised of \$581.7 million of availability under the U.S. sub-facility and \$291.4 million of availability under the Canadian sub-facility. Available borrowing capacity under our Receivables Facility was \$120.0 million. The Revolving Credit Facility and the Receivables Facility mature in June 2025 and June 2024, respectively.

Critical Accounting Policies and Estimates

We adopted Accounting Standards Update ("ASU") 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, in the first quarter of 2021. The adoption of this ASU did not have a material impact on our consolidated financial statements and notes thereto.

During the second quarter of 2021, we made changes to the estimated useful lives of certain legacy WESCO trademarks that are migrating to our master brand architecture, as disclosed in Note 2, "Accounting Policies" of our Notes to the unaudited Condensed Consolidated Financial Statements.

See Note 2, "Accounting Policies" of our Notes to the unaudited Condensed Consolidated Financial Statements for more information regarding our significant accounting policies.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

Results of Operations

Second Quarter of 2021 versus Second Quarter of 2020

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

	Three Months Ended	
	June 30, 2021	June 30, 2020
Net sales	100.0 %	100.0 %
Cost of goods sold (excluding depreciation and amortization)	79.0	81.1
Selling, general and administrative expenses	15.2	17.2
Depreciation and amortization	1.0	1.0
Income from operations	4.8	0.7
Interest expense, net	1.4	2.8
Other income, net	0.1	0.1
Income (loss) before income taxes	3.3	(2.2)
Provision for income taxes	0.7	(0.5)
Net income (loss) attributable to WESCO International, Inc.	2.6	(1.7)
Preferred stock dividends	0.3	—
Net income (loss) attributable to common stockholders	2.3 %	(1.7) %

Net Sales

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

(In thousands)	Three Months Ended		Growth
	June 30, 2021	June 30, 2020	
EES	\$ 1,923,011	\$ 1,043,294	84.3 %
CSS	1,461,120	341,470	327.9 %
UBS	1,211,659	701,942	72.6 %
Total net sales	\$ 4,595,790	\$ 2,086,706	120.2 %

Net sales were \$4.6 billion for the second quarter of 2021, compared to \$2.1 billion for the second quarter of 2020, an increase of 120.2%. The increase primarily reflects the merger with Anixter that was completed on June 22, 2020, along with growth across all segments, as described below.

EES reported net sales \$1.9 billion for the second quarter of 2021, compared to \$1.0 billion for the second quarter of 2020, an increase of 84.3%. In addition to the impact of the Merger, the increase reflects double-digit growth in our construction, original equipment manufacturer and industrial businesses due to continued strong demand and accelerating economic recovery in certain regions.

CSS reported net sales of \$1.5 billion for the second quarter of 2021, compared to \$341.5 million for the second quarter of 2020, an increase of 327.9%. In addition to the impact of the Merger, the increase reflects strong sales growth in both our security solutions and network infrastructure businesses driven by the rebound in the global economy, a rise in project activity, and new wins from our expanding business.

UBS reported net sales of \$1.2 billion for the second quarter of 2021, compared to \$701.9 million for the second quarter of 2020, an increase of 72.6%. Along with the impact of the Merger, the increase reflects broad-based growth in our utility business with strength in both the investor-owned utility and public power markets. UBS sales growth also reflects continued strong demand in our broadband business, as well as growth in our integrated supply business due to improving economic conditions.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

Cost of Goods Sold

Cost of goods sold for the second quarter of 2021 was \$3.6 billion compared to \$1.7 billion for the second quarter of 2020, an increase of \$1.9 billion, reflecting the merger with Anixter. Cost of goods sold as a percentage of net sales was 79.0% for the second quarter of 2021, compared to 81.1% for the second quarter of 2020. The decrease of 210 basis points primarily reflects the favorable impact of margin improvement initiatives, partially offset by a write-down of \$8.0 million to the carrying value of certain personal protective equipment products that were considered to either be in excess of supply relative to demand or for which current net realizable value has declined below cost. This write-down of inventory impacted cost of goods sold as a percentage of net sales for the second quarter of 2021 by 20 basis points.

Selling, General and Administrative Expenses

SG&A expenses for the second quarter of 2021 totaled \$699.6 million versus \$359.8 million for the second quarter of 2020. As a percentage of net sales, SG&A expenses were 15.2% and 17.2%, respectively. The increase in SG&A expenses of \$339.8 million, or 94.5%, primarily reflects the impact of the merger with Anixter. In addition, SG&A expenses in the current quarter reflect higher volume-related costs and SG&A payroll expenses, as described below. The realization of integration synergies and structural cost takeout actions favorably impacted SG&A expenses for the second quarter of 2021. SG&A expenses for the second quarter of 2021 include merger-related costs of \$37.7 million. Adjusted for these costs, SG&A expenses were \$661.9 million, or 14.4% of net sales, for the second quarter of 2021. SG&A expenses for the second quarter of 2020 include \$73.3 million of merger-related costs. Adjusted for these costs, SG&A expenses were \$286.4 million, or 13.7% of net sales, for the second quarter of 2020.

SG&A payroll expenses for the second quarter of 2021 of \$458.4 million increased by \$231.6 million compared to the same period in 2020 primarily due to the merger with Anixter. Excluding the impact of the Merger, SG&A payroll expenses were up \$43.9 million in the current quarter due to higher variable compensation expense and benefit costs, as well as the impact of reinstating salaries and retirement savings plan employer matching contributions for legacy WESCO employees that had been suspended in the prior year in response to the COVID-19 pandemic.

Depreciation and Amortization

Depreciation and amortization increased \$27.9 million to \$46.7 million for the second quarter of 2021, compared to \$18.8 million for the second quarter of 2020. The second quarter of 2021 includes \$15.8 million attributable to the amortization of identifiable intangible assets acquired in the merger with Anixter, as well as \$5.0 million resulting from changes in the estimated useful lives of certain legacy WESCO trademarks that are migrating to our master brand architecture, as described in Note 2, "Accounting Policies" of our Notes to the unaudited Condensed Consolidated Financial Statements. As of June 30, 2021, there is \$42.8 million of estimated amortization expense remaining for trademarks migrating to our master brand architecture, of which approximately \$15.4 million and \$12.1 million are expected to be recognized in the third and fourth quarters of 2021, respectively.

Income from Operations

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

Three Months Ended June 30, 2021					
(In thousands)	EES	CSS	UBS	Corporate	Total
Income from operations	\$ 153,740	\$ 111,257	\$ 94,693	\$ (140,818)	\$ 218,87

Three Months Ended June 30, 2020					
(In thousands)	EES	CSS	UBS	Corporate	Total
Income from operations	\$ 45,809	\$ 27,922	\$ 51,774	\$ (110,235)	\$ 15,27

Operating profit was \$218.9 million for the second quarter of 2021 compared to \$15.3 million for the second quarter of 2020, an increase of \$203.6 million. The increase primarily reflects the merger with Anixter. For the second quarter of 2021, operating profit also reflects the favorable impact of margin improvement initiatives, the realization of integration synergies and structural cost takeout actions. Operating profit for the second quarter of 2021 was negatively impacted by higher salaries, variable compensation expense and benefit costs compared to the prior year, including the impact of reinstating the salaries and certain benefits of legacy WESCO employees that had been suspended in the prior year in response to the COVID-19 pandemic.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

EES reported operating profit of \$153.7 million for the second quarter of 2021, compared to \$45.8 million for the second quarter of 2020, an increase of \$107.9 million. The increase primarily reflects the factors impacting the overall business, as described above. Additionally, operating profit for the second quarter of 2021 was negatively impacted by the inventory write-down described above and accelerated amortization expense of \$2.1 million associated with migrating to our master brand architecture.

CSS reported operating profit of \$111.3 million for the second quarter of 2021, compared to \$27.9 million for the second quarter of 2020, an increase of \$83.4 million. The increase primarily reflects the factors impacting the overall business, as described above. Additionally, operating profit for the second quarter of 2021 was negatively impacted by \$5.4 million from the inventory write-down described above, as well as accelerated amortization expense of \$2.7 million associated with migrating to our master brand architecture.

UBS reported operating profit of \$94.7 million for the second quarter of 2021, compared to \$51.8 million for the second quarter of 2020, an increase of \$42.9 million. The increase primarily reflects the factors impacting the overall business, as described above.

Interest Expense, net

Net interest expense totaled \$67.6 million for the second quarter of 2021, compared to \$61.3 million for the second quarter of 2020. The increase in interest expense was driven by financing activity related to the Anixter merger. Net interest expense for the second quarter of 2020 includes \$44.7 million of merger-related financing and interest costs, of which \$33.5 million was non-recurring.

Other Income, net

Other non-operating income ("other income, net") totaled \$0.8 million for the second quarter of 2021, compared to \$0.7 million for the second quarter of 2020.

Income Taxes

The provision for income taxes was an expense of \$32.8 million for the second quarter of 2021, compared to a benefit of \$10.9 million in last year's comparable period, and the effective tax rate was 21.6% and 24.0%, respectively. The lower effective tax rate in the current quarter as compared to the corresponding quarter of the prior year was primarily due to a discrete income tax benefit of \$3.4 million associated with the exercise and vesting of stock-based awards. In addition, the effective tax rate for the corresponding quarter of the prior year was higher due to costs incurred to complete the merger with Anixter. Excluding the impact of the Merger, the effective tax rate for the prior quarter would have been approximately 22%.

Net Income (Loss) and Earnings (Loss) per Share

Net income for the second quarter of 2021 was \$119.3 million, compared to a net loss of \$34.5 million for the second quarter of 2020.

Net income attributable to noncontrolling interests was less than \$0.1 million for the second quarter of 2021 and 2020.

Preferred stock dividends expense, which relates to the fixed-rate reset cumulative perpetual preferred stock, Series A, that was issued in connection with the Merger, was \$14.4 million for the second quarter of 2021 compared to \$1.3 million for the second quarter of 2020.

Net income and earnings per diluted share attributable to common stockholders were \$104.8 million and \$2.02 per diluted share, respectively, for the second quarter of 2021, compared with a net loss and loss per diluted share attributable to common stockholders of \$35.8 million and \$0.84 per diluted share, respectively, for the second quarter of 2020. Adjusted for merger-related costs, accelerated amortization expense associated with migrating to our master brand architecture, and the related income tax effects, net income and earnings per diluted share attributable to common stockholders for the three months ended June 30, 2021 were \$137.2 million and \$2.64, respectively. Adjusted for merger-related costs and interest, the related income tax effects, and the weighted-average impact of 8.15 million shares of common stock issued as equity consideration to fund a portion of the merger with Anixter, net income and earnings per diluted share attributable to common stockholders were \$55.9 million and \$1.33, respectively, for the three months ended June 30, 2020.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

The following tables reconcile income from operations, net interest expense, provision for income taxes and earnings per diluted share to adjusted income from operations, adjusted net interest expense, 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:	Three Months Ended	
	June 30, 2021	June 30, 2020
	(In thousands)	
Income from operations	\$ 218,872	\$ 15,270
Merger-related costs	37,720	73,345
Accelerated trademark amortization	5,049	—
Adjusted income from operations	<u>\$ 261,641</u>	<u>\$ 88,615</u>

Adjusted Interest Expense, Net:	Three Months Ended	
	June 30, 2021	June 30, 2020
	(In thousands)	
Interest expense, net	\$ 67,590	\$ 61,270
Merger-related interest expense ⁽¹⁾	—	(44,738)
Adjusted interest expense, net	<u>\$ 67,590</u>	<u>\$ 16,532</u>

⁽¹⁾ The adjustment for the three months ended June 30, 2020 represents financing and interest costs associated with the debt financing used to fund a portion of the merger with Anixter, of which \$33.5 million was non-recurring.

Adjusted Provision for Income Taxes:	Three Months Ended	
	June 30, 2021	June 30, 2020
	(In thousands)	
Provision for income taxes	\$ 32,800	\$ (10,854)
Income tax effect of adjustments to income from operations and net interest ⁽¹⁾	10,381	26,363
Adjusted provision for income taxes	<u>\$ 43,181</u>	<u>\$ 15,509</u>

⁽¹⁾ The adjustments to income from operations and net interest have been tax effected at rates of 24.3% and 22.3% for the three months ended June 30, 2021 and 2020, respectively.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

Adjusted Earnings per Diluted Share: (thousands, except per share data)	Three Months Ended	
	June 30, 2021	June 30, 2020
Adjusted income from operations	\$ 261,648	88,615
Adjusted interest expense, net	67,590	16,532
Other income, net	(802)	(687)
Adjusted income before income taxes	194,853	72,770
Adjusted provision for income taxes	43,181	15,509
Adjusted net income	151,672	57,261
Net income attributable to noncontrolling interests	89	47
Adjusted net income attributable to WESCO International, Inc.	151,583	57,214
Preferred stock dividends	14,352	1,276
Adjusted net income attributable to common stockholders	\$ 137,231	55,938
Adjusted shares	51,994	42,775
Adjusted diluted shares ⁽¹⁾	51,994	41,969
Adjusted earnings per diluted share ⁽²⁾	\$ 2.64	1.33

⁽¹⁾ Adjusted diluted shares for the three months ended June 30, 2020 exclude the weighted-average impact of 8.15 million shares of common stock issued as equity consideration to fund a portion of the merger with Anixter.

⁽²⁾ Adjusted earnings per diluted share for the three months ended June 30, 2020, as previously reported in our Quarterly Report on Form 10-Q for the period ended June 30, 2020, excluded preferred stock dividends of \$1.3 million. Adjusted earnings per diluted share excluding the preferred stock dividends was \$1.36 for the three months ended June 30, 2020.

Note: For the three months ended June 30, 2021, income from operations, the provision for income taxes and earnings per diluted share have been adjusted to exclude merger-related costs, accelerated amortization expense associated with migrating to our master brand architecture, and the related income tax effects. For the three months ended June 30, 2020, income from operations, net interest expense, the provision for income taxes and earnings per diluted share have been adjusted to exclude merger-related costs and interest, and the related income tax effects. These non-GAAP financial measures provide a better understanding of our financial results on a comparable basis.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

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)	Three Months Ended June 30, 2021				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	\$ 153,976	\$ 111,046	\$ 94,688	\$ (254,867)	\$ 104,844
Net (loss) income attributable to noncontrolling interests	(76)	—	—	165	8
Preferred stock dividends	—	—	—	14,352	14,352
Provision for income taxes	—	—	—	32,800	32,800
Interest expense, net	—	—	—	67,590	67,590
Depreciation and amortization	12,781	19,241	5,466	9,216	46,704
EBITDA	\$ 166,681	\$ 130,287	\$ 100,154	\$ (130,744)	\$ 266,378
Other income, net	(160)	211	5	(858)	(802)
Stock-based compensation expense ⁽¹⁾	1,434	641	543	3,331	5,949
Merger-related costs	—	—	—	37,720	37,720
Adjusted EBITDA	\$ 167,955	\$ 131,139	\$ 100,702	\$ (90,551)	\$ 309,245
Adjusted EBITDA margin %	8.7%	9.0%	8.3%		6.7%

⁽¹⁾ Stock-based compensation expense in the calculation of adjusted EBITDA for the three months ended June 30, 2021 excludes \$1.3 million as such amount is included in merger-related costs.

(In thousands)	Three Months Ended June 30, 2020				
	EES	CSS	UBS	Corporate	Total
Net income (loss) attributable to common stockholders	\$ 45,915	\$ 27,764	\$ 51,774	\$ (161,235)	\$ (35,780)
Net (loss) income attributable to noncontrolling interests	(162)	—	—	209	4
Preferred stock dividends	—	—	—	1,276	1,276
Provision for income taxes	—	—	—	(10,854)	(10,854)
Interest expense, net	—	—	—	61,270	61,270
Depreciation and amortization	7,351	4,016	4,082	3,306	18,755
EBITDA	\$ 53,104	\$ 31,780	\$ 55,856	\$ (106,028)	\$ 34,712
Other income, net	56	158	—	(901)	(687)
Stock-based compensation expense	1,118	263	306	3,214	4,901
Merger-related costs	—	—	—	73,345	73,345
Adjusted EBITDA	\$ 54,278	\$ 32,201	\$ 56,162	\$ (30,370)	\$ 112,271
Adjusted EBITDA margin %	5.2%	9.4%	8.0%		5.4%

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 foreign exchange and other non-operating expenses (income), non-cash stock-based compensation and merger-related costs. Adjusted EBITDA margin % is calculated by dividing Adjusted EBITDA by net sales.

Adjusted EBITDA for EES was \$168.0 million for the second quarter of 2021, or 8.7% of net sales, compared to \$54.3 million for the second quarter of 2020, or 5.2% of net sales.

Adjusted EBITDA for CSS was \$131.1 million for the second quarter of 2021, or 9.0% of net sales, compared to \$32.2 million for the second quarter of 2020, or 9.4% of net sales.

Adjusted EBITDA for UBS was \$100.7 million for the second quarter of 2021, or 8.3% of net sales, compared to \$56.2 million for the second quarter of 2020, or 8.0% of net sales.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

Six Months Ended June 30, 2021 versus Six Months Ended June 30, 2020

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

	Six Months Ended	
	June 30, 2021	June 30, 2020
Net sales	100.0 %	100.0 %
Cost of goods sold (excluding depreciation and amortization)	79.4	81.0
Selling, general and administrative expenses	15.5	16.3
Depreciation and amortization	1.0	0.8
Income from operations	4.1	1.9
Interest expense, net	1.6	1.9
Other income, net	—	—
Income (loss) before income taxes	2.5	—
Provision for income taxes	0.4	—
Net income (loss) attributable to WESCO International, Inc.	2.1	—
Preferred stock dividends	0.4	—
Net income (loss) attributable to common stockholders	1.7 %	— %

Net Sales

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

(In thousands)	Six Months Ended		Growth
	June 30, 2021	June 30, 2020	
EES	\$ 3,643,824	\$ 2,157,766	68.9 %
CSS	2,711,735	565,185	379.8 %
UBS	2,281,708	1,332,402	71.2 %
Total net sales	\$ 8,637,267	\$ 4,055,353	113.0 %

Net sales were \$8.6 billion for the first six months of 2021, compared to \$4.1 billion for the first six months of 2020, an increase of 113.0%. The increase primarily reflects the merger with Anixter, along with growth across all segments, as described below.

EES reported net sales \$3.6 billion for the first six months of 2021, compared to \$2.2 billion for the first six months of 2020, an increase of 68.9%. In addition to the impact of the Merger, the increase reflects growth in our construction and original equipment manufacturer businesses due to continued strong demand and improving economic conditions.

CSS reported net sales of \$2.7 billion for the first six months of 2021, compared to \$565.2 million for the first six months of 2020, an increase of 379.8%. The increase reflects the impact from the Merger and broad-based growth in our security solutions and network infrastructure businesses.

UBS reported net sales of \$2.3 billion for the first six months of 2021, compared to \$1.3 billion for the first six months of 2020, an increase of 71.2%. Along with the impact of the Merger, the increase reflects broad-based growth in our utility business, continued strong demand in our broadband business, and growth from integrated supply programs.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

Cost of Goods Sold

Cost of goods sold for the first six months of 2021 was \$6.9 billion compared to \$3.3 billion for the first six months of 2020, an increase of \$3.6 billion, reflecting the merger with Anixter. Cost of goods sold as a percentage of net sales was 79.4% for the first six months of 2021, compared to 81.0% for the first six months of 2020. The decrease of 160 basis points primarily reflects the favorable impact of margin improvement initiatives, partially offset by a write-down of \$16.9 million to the carrying value of certain personal protective equipment products that were considered to either be in excess of supply relative to demand or for which current net realizable value has declined below cost. This write-down of inventory impacted cost of goods sold as a percentage of net sales for the first six months of 2021 by 20 basis points.

Selling, General and Administrative Expenses

SG&A expenses for the first six months of 2021 totaled \$1.3 billion versus \$659.1 million for the first six months of 2020. As a percentage of net sales, SG&A expenses were 15.5% and 16.3%, respectively. The increase in SG&A expenses of \$677.0 million, or 102.7%, primarily reflects the impact of the merger with Anixter. In addition, SG&A expenses in the current year reflect higher volume-related costs and SG&A payroll expenses, as described below. SG&A expenses for the first six months of 2021 were favorably impacted by the realization of integration synergies and structural cost takeout actions, as well as lower travel, entertainment and similar expenses due to restrictions imposed on non-essential business travel in response to the COVID-19 pandemic. SG&A expenses for the first six months of 2021 include merger-related costs of \$84.0 million, as well as a net gain of \$8.9 million resulting from the sale of WESCO's legacy utility and data communications businesses in Canada, which were divested during the first quarter of 2021 in connection with the Merger. Adjusted for these amounts, SG&A expenses were 14.6% of net sales for the first six months of 2021. SG&A expenses for the first six months of 2020 include \$78.0 million of merger-related costs. Adjusted for these costs, SG&A expenses were \$581.2 million, or 14.3% of net sales, for the first six months of 2020.

SG&A payroll expenses for the first six months of 2021 of \$882.1 million increased by \$451.7 million compared to the same period in 2020 primarily due to the merger with Anixter. Excluding the impact of the Merger, SG&A payroll expenses were up \$48.8 million in the current year due to higher variable compensation expense and benefit costs, as well as the impact of reinstating salaries and retirement savings plan employer matching contributions for legacy WESCO employees that had been suspended in the prior year in response to the COVID-19 pandemic.

Depreciation and Amortization

Depreciation and amortization increased \$53.1 million to \$87.9 million for the first six months of 2021, compared to \$34.8 million for the first six months of 2020. The six months ended June 30, 2021 includes \$31.4 million attributable to the amortization of identifiable intangible assets acquired in the merger with Anixter, as well as \$5.0 million resulting from changes in the estimated useful lives of certain legacy WESCO trademarks that are migrating to our master brand architecture, as described in Note 2, "Accounting Policies" of our Notes to the unaudited Condensed Consolidated Financial Statements. As of June 30, 2021, there is \$42.8 million of estimated amortization expense remaining for trademarks migrating to our master brand architecture, of which approximately \$27.5 million is expected to be recognized over the remainder of 2021, \$10.0 million in 2022 and \$5.3 million thereafter.

Income from Operations

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

(In thousands)	Six Months Ended June 30, 2021				
	EES	CSS	UBS	Corporate	Total
Income from operations	\$ 253,852	\$ 185,220	\$ 181,723	\$ (268,672)	\$ 352,122

(In thousands)	Six Months Ended June 30, 2020				
	EES	CSS	UBS	Corporate	Total
Income from operations	\$ 89,135	\$ 37,868	\$ 93,559	\$ (144,379)	\$ 76,183

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

Operating profit was \$352.1 million for the first six months of 2021 compared to \$76.2 million for the first six months of 2020, an increase of 362.2%. The increase primarily reflects the merger with Anixter. For the first six months of 2021, operating profit also reflects the favorable impact of margin improvement initiatives, the realization of integration synergies and structural cost takeout actions. Additionally, income from operations reflects the benefit of lower travel, entertainment and similar expenses due to restrictions imposed on non-essential business travel in response to the COVID-19 pandemic. Operating profit for the first six months of 2021 was negatively impacted by higher salaries, variable compensation expense and benefit costs, as well as the impact of reinstating salaries and certain benefits of legacy WESCO employees that had been suspended in the prior year in response to the COVID-19 pandemic.

EES reported operating profit of \$253.9 million for the first six months of 2021, compared to \$89.1 million for the first six months of 2020, an increase of \$164.7 million. The increase primarily reflects the factors impacting the overall business, as described above. Additionally, operating profit for the first six months of 2021 was negatively impacted by the inventory write-down described above and accelerated amortization expense of \$2.1 million associated with migrating to our master brand architecture.

CSS reported operating profit of \$185.2 million for the first six months of 2021, compared to \$37.9 million for the first six months of 2020, an increase of \$147.4 million. The increase primarily reflects the factors impacting the overall business, as described above. Additionally, operating profit for the first six months of 2021 was negatively impacted by \$12.9 million from the inventory write-down described above, as well as accelerated amortization expense of \$2.7 million associated with migrating to our master brand architecture.

UBS reported operating profit of \$181.7 million for the first six months of 2021, compared to \$93.6 million for the first six months of 2020, an increase of \$88.2 million. The increase primarily reflects the factors impacting the overall business, as described above, combined with the benefit from the gain on the Canadian divestitures.

Interest Expense, net

Net interest expense totaled \$138.0 million for the first six months of 2021, compared to \$77.9 million for the first six months of 2020. The increase in interest expense was driven by financing activity related to the Anixter merger. Net interest expense for the first six months of 2020 includes \$45.3 million of merger-related financing and interest costs, of which \$33.5 million was non-recurring.

Other Income, net

Other non-operating income ("other income, net") totaled \$3.6 million for the first six months of 2021, compared to \$0.8 million for the first six months of 2020.

Income Taxes

The provision for income taxes was an expense of \$39.3 million for the first six months of 2021, compared to a benefit of \$0.6 million in last year's comparable period, and the effective tax rate was 18.1% and 67.3%, respectively. The lower effective tax rate in the current period was primarily due to the discrete income tax benefits of \$8.3 million and \$4.5 million associated with a change in the valuation allowance recorded against foreign tax credit carryforwards and the exercise and vesting of stock-based awards, respectively, which together reduced the effective tax rate by approximately 5.9 percentage points. In addition, the effective tax rate in the corresponding preceding year-to-date period was higher due to costs incurred to complete the merger with Anixter. Excluding the impact of the Merger, the effective tax rate for the first six months of 2020 would have been approximately 22%.

Net Income (Loss) and Earnings (Loss) per Share

Net income for the first six months of 2021 was \$178.4 million, compared to a net loss of \$0.3 million for the first six months of 2020.

Net income attributable to noncontrolling interests was less than \$0.1 million for the first six months of 2021, compared to a net loss of \$0.2 million for the first six months of 2020.

Preferred stock dividends expense, which relates to the fixed-rate reset cumulative perpetual preferred stock, Series A, that was issued in connection with the Merger, was \$28.7 million for the first six months of 2021 compared to \$1.3 million for the first six months of 2020.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

Net income and earnings per diluted share attributable to common stockholders were \$149.7 million and \$2.89 per diluted share, respectively, for the first six months of 2021, compared with a net loss and loss per diluted share attributable to common stockholders of \$1.4 million and \$0.03 per diluted share, respectively, for the first six months of 2020. Adjusted for merger-related costs, the net gain on the sale of WESCO's legacy utility and data communications businesses in Canada, accelerated amortization expense associated with migrating to our master brand architecture, and the related income tax effects, net income and earnings per diluted share attributable to common stockholders for the six months ended June 30, 2021 were \$210.5 million and \$4.06, respectively. Adjusted for merger-related costs and interest, the related income tax effects, and the weighted-average impact of 8.15 million shares of common stock issued as equity consideration to fund a portion of the merger with Anixter, net income and earnings per diluted share attributable to common stockholders were \$94.3 million and \$2.25, respectively, for the six months ended June 30, 2020.

The following tables reconcile income from operations, net interest expense, provision for income taxes and earnings per diluted share to adjusted income from operations, adjusted net interest expense, 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:	Six Months Ended	
	June 30, 2021	June 30, 2020
	(In thousands)	
Income from operations	\$ 352,123	\$ 76,183
Merger-related costs	84,042	77,953
Accelerated trademark amortization	5,049	—
Net gain on Canadian divestitures	(8,927)	—
Adjusted income from operations	\$ 432,287	\$ 154,136

Adjusted Interest Expense, Net:	Six Months Ended	
	June 30, 2021	June 30, 2020
	(In thousands)	
Interest expense, net	\$ 137,963	\$ 77,862
Merger-related interest expense ⁽¹⁾	—	(45,253)
Adjusted interest expense, net	\$ 137,963	\$ 32,609

⁽¹⁾ The adjustment for the six months ended June 30, 2020 represents financing and interest costs associated with the debt financing used to fund a portion of the merger with Anixter, of which \$33.5 million was non-recurring.

Adjusted Provision for Income Taxes:	Six Months Ended	
	June 30, 2021	June 30, 2020
	(In thousands)	
Provision for income taxes	\$ 39,331	\$ (587)
Income tax effect of adjustments to income from operations and net interest ⁽¹⁾	19,348	27,492
Adjusted provision for income taxes	\$ 58,679	\$ 26,905

⁽¹⁾ The adjustments to income from operations and net interest have been tax effected at rates of 24.1% and 22.3% for the six months ended June 30, 2021 and 2020, respectively.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

	Six Months Ended	
	June 30, 2021	June 30, 2020
Adjusted Earnings per Diluted Share:		
(thousands, except per share data)		
Adjusted income from operations	\$ 432,287	154,136
Adjusted interest expense, net	137,963	32,609
Other income, net	(3,609)	(807)
Adjusted income before income taxes	297,933	122,334
Adjusted provision for income taxes	58,679	26,905
Adjusted net income	239,254	95,429
Net income (loss) attributable to noncontrolling interests	65	(185)
Adjusted net income attributable to WESCO International, Inc.	239,189	95,614
Preferred stock dividends	28,704	1,276
Adjusted net income attributable to common stockholders	\$ 210,485	94,338
Weighted average diluted shares	51,875	42,412
Adjusted diluted shares ⁽¹⁾	51,875	42,009
Adjusted earnings per diluted share ⁽²⁾	\$ 4.06	2.25

⁽¹⁾ Adjusted diluted shares for the six months ended June 30, 2020 exclude the weighted-average impact of 8.15 million shares of common stock issued as equity consideration to fund a portion of the merger with Anixter.

⁽²⁾ Adjusted earnings per diluted share for the six months ended June 30, 2020, as previously reported in our Quarterly Report on Form 10-Q for the period ended June 30, 2020, excluded preferred stock dividends of \$1.3 million. Adjusted earnings per diluted share excluding the preferred stock dividends was \$2.28 for the six months ended June 30, 2020.

Note: For the six months ended June 30, 2021, income from operations, the provision for income taxes and earnings per diluted share have been adjusted to exclude merger-related costs, a net gain on the sale of WESCO's legacy utility and data communications businesses in Canada, accelerated amortization expense associated with migrating to our master brand architecture, and the related income tax effects. For the six months ended June 30, 2020, income from operations, net interest expense, the provision for income taxes and earnings per diluted share have been adjusted to exclude merger-related costs and interest, and the related income tax effects. These non-GAAP financial measures provide a better understanding of our financial results on a comparable basis.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

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:

Six Months Ended June 30, 2021						
(In thousands)	EES	CSS	UBS	Corporate	Total	
Net income attributable to common stockholders	\$ 254,606	\$ 184,639	\$ 181,701	\$ (471,277)	\$ 149,669	
Net (loss) income attributable to noncontrolling interests	(151)	—	—	216	65	
Preferred stock dividends	—	—	—	28,704	28,704	
Provision for income taxes	—	—	—	39,331	39,331	
Interest expense, net	—	—	—	137,963	137,963	
Depreciation and amortization	23,344	35,534	10,676	18,359	87,913	
EBITDA	\$ 277,799	\$ 220,173	\$ 192,377	\$ (246,704)	\$ 443,645	
Other income, net	(603)	581	22	(3,609)	(3,609)	
Stock-based compensation expense ⁽¹⁾	2,785	1,066	883	5,908	10,642	
Merger-related costs	—	—	—	84,042	84,042	
Net gain on Canadian divestitures	—	—	(8,927)	—	(8,927)	
Adjusted EBITDA	\$ 279,981	\$ 221,820	\$ 184,355	\$ (160,363)	\$ 525,793	
Adjusted EBITDA margin %	7.7 %	8.2 %	8.1 %	6.1 %		

⁽¹⁾ Stock-based compensation expense in the calculation of adjusted EBITDA for the six months ended June 30, 2021 excludes \$2.5 million as such amount is included in merger-related costs.

Six Months Ended June 30, 2020						
(In thousands)	EES	CSS	UBS	Corporate	Total	
Net income (loss) attributable to common stockholders	\$ 89,593	\$ 37,710	\$ 93,559	\$ (222,238)	\$ (1,376)	
Net loss attributable to noncontrolling interests	(394)	—	—	209	(185)	
Preferred stock dividends	—	—	—	1,276	1,276	
Provision for income taxes	—	—	—	(587)	(587)	
Interest expense, net	—	—	—	77,862	77,862	
Depreciation and amortization	14,227	5,857	7,603	7,161	34,848	
EBITDA	\$ 103,426	\$ 43,567	\$ 101,162	\$ (136,317)	\$ 111,838	
Other income, net	(64)	158	—	(901)	(807)	
Stock-based compensation expense	2,197	419	599	6,312	9,527	
Merger-related costs	—	—	—	77,953	77,953	
Adjusted EBITDA	\$ 105,559	\$ 44,144	\$ 101,761	\$ (52,953)	\$ 198,511	
Adjusted EBITDA margin %	4.9 %	7.8 %	7.6 %	4.9 %		

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 foreign exchange and other non-operating expenses (income), non-cash stock-based compensation, merger-related costs and net gain on the sale of WESCO's legacy utility and data communications businesses in Canada. Adjusted EBITDA margin % is calculated by dividing Adjusted EBITDA by net sales.

Adjusted EBITDA for EES was \$280.0 million for the first six months of 2021, or 7.7% of net sales, compared to \$105.6 million for the first six months of 2020, or 4.9% of net sales.

Adjusted EBITDA for CSS was \$221.8 million for the first six months of 2021, or 8.2% of net sales, compared to \$44.1 million for the first six months of 2020, or 7.8% of net sales.

Adjusted EBITDA for UBS was \$184.4 million for the first six months of 2021, or 8.1% of net sales, compared to \$101.8 million for the first six months of 2020, or 7.6% of net sales.

Liquidity and Capital Resources

Our liquidity needs generally arise from fluctuations in our working capital requirements, capital expenditures, acquisitions and debt service obligations. As of June 30, 2021, we had \$873.1 million in available borrowing capacity under our Revolving Credit Facility and \$120.0 million in available borrowing capacity under our Receivables Facility, which combined with available cash of \$118.1 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 June 30, 2021, approximately 68% of our debt portfolio was comprised of fixed rate debt.

As described in Note 8, "Debt" of our Notes to the unaudited Condensed Consolidated Financial Statements, on January 14, 2021, we redeemed the \$500 million aggregate principal amount of our 2021 Notes at a redemption price equal to 100% of the principal amount plus accrued interest to, but not including, January 14, 2021. The redemption of the 2021 Notes was funded with available cash, as well as borrowings under our accounts receivable securitization and revolving credit facilities.

As also described in Note 8, "Debt" of our Notes to the unaudited Condensed Consolidated Financial Statements, on June 2, 2021, we exercised our right to redeem the \$350 million aggregate principal amount of our 2024 Notes at a redemption price equal to 101.344% of the principal amount plus accrued interest to, but not including, July 2, 2021, the date fixed for the redemption. See Note 14, "Subsequent Events" of our Notes to the unaudited Condensed Consolidated Financial Statements for more information.

As a result of the redemption of the 2024 Notes and amendment to the Receivables Facility, as described above, total interest expense is expected to be reduced by approximately \$2 million in 2021 and \$18 million per year thereafter based on current interest rates.

Since the merger with Anixter, we have used cash and the net proceeds from the divestiture of WESCO's legacy utility and data communications businesses in Canada to reduce our debt, net of cash, by approximately \$464 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 in 2021 on capital expenditures and cloud-based initiatives, 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, on a pro forma basis, was 4.5 as of June 30, 2021 and 5.3 as of December 31, 2020. In addition, we are in compliance with all covenants and restrictions contained in our debt agreements as of June 30, 2021.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

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

(In millions of dollars, except ratio)	Pro Forma ⁽¹⁾	
	Twelve Months Ended	
	June 30, 2021	December 31, 2020
Net income attributable to common stockholders	\$ 221.5	\$ 115.6
Net loss attributable to noncontrolling interests	(0.3)	(0.5)
Preferred stock dividends	57.6	30.1
Provision for income taxes	62.7	55.7
Interest expense, net	286.8	255.8
Depreciation and amortization	174.7	153.5
EBITDA	803.0	610.2
Other, net	(5.3)	4.6
Stock-based compensation	19.4	34.7
Merger-related costs and fair value adjustments	181.0	206.7
Out-of-period adjustment	18.9	18.9
Net gain on sale of asset and Canadian divestitures	(27.7)	(19.8)
Adjusted EBITDA	\$ 989.3	\$ 855.3
	As of	
	June 30, 2021	December 31, 2020
Short-term debt and current portion of long-term debt, net	\$ 367.0	\$ 528.8
Long-term debt, net	4,303.1	4,370.0
Debt discount and debt issuance costs ⁽²⁾	80.5	88.2
Fair value adjustments to Anixter Senior Notes due 2023 and 2025 ⁽²⁾	(1.3)	(1.7)
Total debt	4,749.3	4,985.3
Less: Cash and cash equivalents	287.9	449.1
Total debt, net of cash	\$ 4,461.4	\$ 4,536.2
Financial leverage ratio	4.5	5.3

⁽¹⁾ Pro forma adjusted EBITDA includes the financial results of WESCO's legacy utility and data communications businesses in Canada, which were divested in the first quarter of 2021 under a Consent Agreement with the Competition Bureau of Canada.

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

Note: Financial leverage measures the use of debt. Financial leverage ratio is calculated by dividing total debt, excluding debt discount, debt issuance costs and fair value adjustments, net of cash, 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 (income), non-cash stock-based compensation, costs and fair value adjustments associated with the merger with Anixter, an out-of-period adjustment related to inventory absorption accounting, and net gain on the sale of a U.S. operating branch and WESCO's legacy utility and data communications businesses in Canada. Pro forma financial leverage ratio is calculated by dividing total debt, excluding debt discount and debt issuance costs, net of cash, by pro forma adjusted EBITDA. Pro forma EBITDA and pro forma adjusted EBITDA gives effect to the combination of WESCO and Anixter as if it had occurred at the beginning of the respective trailing twelve month period.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

Most of the undistributed earnings of our foreign subsidiaries have been taxed in the U.S. under either the one-time transition tax or the global intangible low-taxed income ("GILTI") tax regime imposed by the Tax Cuts and Jobs Act of 2017 ("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 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.

Cash Flow

Operating Activities. Net cash generated from operations for the first six months of 2021 totaled \$102.8 million, compared to \$132.7 million for the first six months of 2020. Operating activities included net income of \$178.4 million and adjustments to net income totaling \$101.7 million, which were primarily comprised of depreciation and amortization of \$87.9 million, stock-based compensation expense of \$13.2 million, amortization of debt discount and debt issuance costs of \$9.2 million, a net gain of \$8.9 million resulting from the Canadian divestitures, and deferred income taxes of \$3.0 million. Other sources of cash in the first six months of 2021 included an increase in accounts payable of \$474.9 million due to higher purchases of inventory, an increase in other current and noncurrent liabilities of \$26.0 million, and an increase in accrued payroll and benefit costs of \$1.9 million. Primary uses of cash in the first six months of 2021 included an increase in trade accounts receivable of \$372.3 million resulting from higher sales in the latter part of the quarter, an increase in inventories of \$268.3 million to support increased customer demand, an increase in other accounts receivable of \$25.4 million due to higher supplier volume rebate accruals, and an increase in other current and noncurrent assets of \$14.3 million.

Net cash provided by operating activities for the first six months of 2020 totaled \$132.7 million, which included a net loss of \$0.3 million and adjustments to net loss totaling \$43.4 million, which were primarily comprised of depreciation and amortization of \$34.8 million and stock-based compensation expense of \$9.5 million. Other sources of cash in the first six months of 2020 included an increase in other current and noncurrent liabilities of \$93.8 million, a decrease in inventories of \$55.4 million, a decrease in trade accounts receivable of \$29.3 million, a decrease in other accounts receivable of \$20.5 million, and an increase in accrued payroll and benefit costs of \$1.7 million. Primary uses of cash in the first six months of 2020 included a decrease in accounts payable of \$83.1 million, and an increase in other current and noncurrent assets of \$28.1 million.

Investing Activities. Net cash provided by investing activities for the first six months of 2021 was \$32.4 million, compared to \$3.7 billion of net cash used during the first six months of 2020. Included in the first six months of 2021 was \$54.3 million of net proceeds from the divestiture of WESCO's legacy utility and data communications businesses in Canada, as described in Note 4, "Acquisitions and Disposals" of our Notes to the unaudited Condensed Consolidated Financial Statements. Included in the first six months of 2020 was \$3.7 billion to fund a portion of the merger with Anixter, as described in Note 4, "Acquisitions and Disposals" of our Notes to the unaudited Condensed Consolidated Financial Statements. Capital expenditures were \$20.2 million for the six month period ended June 30, 2021, compared to \$27.2 million for the six month period ended June 30, 2020.

Financing Activities. Net cash used in financing activities for the first six months of 2021 was \$289.7 million, compared to \$3.7 billion of net cash provided by financing activities for the first six months of 2020. During the first six months of 2021, financing activities primarily consisted of the redemption of our \$500.0 million aggregate principal amount of 2021 Notes, borrowings and repayments of \$914.8 million and \$869.8 million, respectively, related to our Revolving Credit Facility, and borrowings and repayments of \$643.0 million and \$413.0 million, respectively, related to our Receivables Facility. Financing activities for the first six months of 2021 also included \$28.7 million of dividends paid to holders of our Series A Preferred Stock, net repayments related to our various international lines of credit of approximately \$10.8 million, and \$12.4 million of payments for taxes related to the exercise and vesting of stock-based awards.

During the first six months of 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 \$875.3 million and \$425.6 million, respectively, related to our prior revolving credit facility, as well as borrowings and repayments of \$700.0 million and \$155.0 million, respectively, related to our prior accounts receivable securitization facility. Financing activities for the first six months of 2020 also included net repayments related to our various international lines of credit of approximately \$10.5 million. Additionally, we paid \$79.5 million of debt issuance costs associated with financing the merger with Anixter.

Contractual Cash Obligations and Other Commercial Commitments

There were no material changes in our contractual obligations and other commercial commitments that would require an update to the disclosure provided in our 2020 Annual Report on Form 10-K.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

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 six months ended June 30, 2021, pricing related to inflation did not have a material impact on our operating profit.

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.

Guarantor Financial Statements

WESCO Distribution (the “Issuer”) has outstanding \$350 million in aggregate principal amount of 5.375% Senior Notes due 2024 (the “2024 Notes”).

The 2024 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 2024 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 2024 Notes.

The 2024 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 2024 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 2024 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 of and interest on the 2024 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 2024 Notes and the indentures governing the 2024 Notes and (ii) in the case of any extension of time of payment or renewal of any 2024 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 2024 Notes. A court might do so if it is found that when the Issuer issued the 2024 Notes, or in some states when payments became due under the 2024 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.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

A court might also void an issuance of the 2024 Notes without regard to the above factors, if the court found that the Issuer issued the 2024 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 2024 Notes, if the Issuer did not substantially benefit directly or indirectly from the issuance of the 2024 Notes. If a court were to void the issuance of the 2024 Notes, holders would no longer have any claim against the Issuer. Sufficient funds to repay the 2024 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	
	June 30, 2021	December 31, 2020
Assets		
Current assets	\$ 2,508,796	\$ 2,259,748
Due from non-guarantor subsidiaries	337,478	277,957
Total current assets	2,846,274	2,537,705
Noncurrent assets	3,334,235	3,368,247
Total assets	\$ 6,180,509	\$ 5,905,952
Liabilities		
Current liabilities	\$ 1,906,543	\$ 1,821,835
Due to non-guarantor subsidiaries	2,529,212	2,046,613
Total current liabilities	4,435,755	3,868,448
Noncurrent liabilities	3,859,587	4,169,639
Total liabilities	\$ 8,295,342	\$ 8,038,087

Summarized Statement of Income (Loss)

(In thousands)
(unaudited)

	Six Months Ended	
	June 30, 2021	
Net sales ⁽¹⁾	\$	3,475,869
Gross profit ⁽¹⁾		697,156
Net loss	\$	(39,568)

⁽¹⁾ Includes \$43.0 million of net sales and cost of goods sold to non-guarantor subsidiaries.

Impact of Recently Issued Accounting Standards

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

Forward-Looking Statements

All statements made herein that are not historical facts should be considered as forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. These statements include, but are not limited to, statements regarding the expected benefits and costs of the transaction between WESCO and Anixter International Inc., 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 statements identified by words such as "anticipate," "plan," "believe," "estimate," "intend," "expect," "project," "will" and similar words, phrases or expressions. These forward-looking statements are based on current expectations and beliefs of WESCO's management, as well as assumptions made by, and information currently available to, WESCO's management, current market trends and market conditions and involve risks and uncertainties, many of which are outside of WESCO's and WESCO's management's control, and which may cause actual results to differ materially from those contained in forward-looking statements. Accordingly, you should not place undue reliance on such statements.

Those risks, uncertainties and assumptions include the risk of any unexpected costs or expenses resulting from the transaction, the risk of any litigation or post-closing regulatory action relating to the transaction, the risk that the transaction could have an adverse effect on the ability of the combined company to retain customers and retain and hire key personnel and maintain relationships with its suppliers, customers and other business relationships and on its operating results and business generally, or the risk that problems may arise in successfully integrating the businesses of the companies, which may result in the combined company not operating as effectively and efficiently as expected, the risk that the combined company may be unable to achieve synergies or other anticipated benefits of the proposed transaction or it may take longer than expected to achieve those synergies or benefits, the risk that the leverage of the company may be higher than anticipated, the impact of natural disasters, health epidemics and other outbreaks, especially the outbreak of COVID-19 since December 2019, which may have a material adverse effect on the combined company's business, results of operations and financial conditions, and other important factors that could cause actual results to differ materially from those projected. All such factors are difficult to predict and are beyond each company's control. Additional factors that could cause results to differ materially from those described above can be found in WESCO's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and WESCO's other reports filed with the SEC.

Item 3. Quantitative and Qualitative Disclosures about Market Risks.

For a discussion of changes to the market risks that were previously disclosed in our 2020 Annual Report on Form 10-K, refer to Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and to Part II, Item 1A, "Risk Factors".

Item 4. 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 and internal control over financial reporting were effective as of the end of the period covered by this report.

There were no changes in the Company's internal control over financial reporting that occurred during the quarterly period ended June 30, 2021, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. 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.

Item 1A. Risk Factors.

There have been no material changes to the risk factors previously disclosed in Item 1A. to Part 1 of WESCO's Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

Item 6. Exhibits.

- (a) Exhibits
 - (10) Material Contracts
 - (1) [Third Amendment to the Fifth Amended and Restated Receivables Purchase Agreement \(filed herewith\)](#)
 - (2) [WESCO International, Inc. 2021 Omnibus Incentive Plan \(incorporated by reference to Appendix A to the Registrant's Definitive Proxy Statement on Schedule 14A filed with the Commission on April 12, 2021\)](#)
 - (31) Rule 13a-14(a)/15d-14(a) Certifications
 - (1) [Certification of Chief Executive Officer pursuant to Rules 13a-14\(a\) promulgated under the Exchange Act.](#)
 - (2) [Certification of Chief Financial Officer pursuant to Rules 13a-14\(a\) promulgated under the Exchange Act.](#)
 - (32) Section 1350 Certifications
 - (1) [Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
 - (2) [Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
 - 101.INS XBRL Instance Document.
 - 101.SCH XBRL Taxonomy Extension Schema Document.
 - 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document.
 - 101.DEF XBRL Taxonomy Extension Definition Linkbase Document.
 - 101.LAB XBRL Taxonomy Extension Label Linkbase Document.
 - 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document.
 - 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)
-

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

SIGNATURES

Pursuant to the requirements 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.

(Registrant)

August 6, 2021

(Date)

By: /s/ David S. Schulz

David S. Schulz

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

August 6, 2021

(Date)

By: /s/ Matthew S. Kulasa

Matthew S. Kulasa

Senior Vice President, Corporate Controller and Chief Accounting Officer

(Principal Accounting Officer)

**THIRD AMENDMENT TO FIFTH AMENDED AND RESTATED
RECEIVABLES PURCHASE AGREEMENT**

THIS THIRD AMENDMENT TO FIFTH AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT (this "Amendment"), dated as of June 1, 2021, 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 Ninth Amended and Restated Fee Letter, dated as of the date hereof (the "Restated Fee Letter").
3. Concurrently herewith, the parties hereto are entering into that certain Eleventh Amendment to the Lock-Box Schedule Letter Agreement (the "Lock-Box Letter Amendment").
4. Concurrently herewith, the Seller, the Servicer, the Administrator and PNC Bank, National Association are entering into that certain Amendment Fourteen to the PNC Lock-Box Agreement (the "PNC Lock-Box Amendment").
5. Concurrently herewith, the Servicer, the Seller, the Originators and the Administrator are entering into that certain Amended and Restated EU/UK Risk Retention Letter, dated as of the date hereof (the "EU/UK Risk Retention Letter", and together with the Restated Fee Letter, the Lock-Box Letter Amendment and the PNC Lock-Box Amendment, collectively, the "Related Agreements").
6. 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. Amendments to the Agreement. The Agreement is hereby amended to reflect the marked changes shown on Exhibit A to this Amendment.
3. Representations and Warranties. The Seller and the Servicer hereby represent and warrant to each of the parties hereto as follows:

3.1 Representations and Warranties. The representations and warranties contained in Exhibit III of the Agreement, as amended hereby, are true and correct as of the date hereof.

3.2 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.

4. 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 date hereof, 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.

5. Effectiveness. This Amendment shall become effective as of the date hereof, upon receipt by the Administrator of each of the following:

5.1 counterparts of this Amendment duly executed by each of the other parties hereto;

5.2 counterparts to each of the Related Agreements, duly executed by each of the other parties hereto;

5.3 evidence of payment of the “Closing Fee” (under and as defined in the Restated Fee Letter) owing under the Restated Fee Letter; and

5.4 such other agreements, documents, instruments, UCC financing statements, lien searches, officer’s certificates and opinions listed on Annex A hereto or otherwise as the Administrator may reasonably request prior to the date hereof.

6. 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.

7. Governing Law; Jurisdiction.

7.1 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).

7.2 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.

8. 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: Senior Vice President and Treasurer

S-1 *Third Amendment to*

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

S-2 *Third Amendment to*

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as a Committed Purchaser

By: /s/ Jonathan Davis
Name: Jonathan Davis
Title: Asst Vice President

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Purchaser Agent for Wells
Fargo Bank, National Association

By: /s/ Jonathan Davis
Name: Jonathan Davis
Title: Asst Vice President

S-3 *Third Amendment to*

FIFTH THIRD BANK, NATIONAL
ASSOCIATION,
as Purchaser Agent

By: /s/ Dylan James
Name: Dylan James
Title: Officer

FIFTH THIRD BANK, NATIONAL
ASSOCIATION,
as a Purchaser

By: /s/ Dylan James
Name: Dylan James
Title: Officer

LIBERTY STREET FUNDING LLC, as a Conduit Purchaser

By: /s/ Kevin J. Corrigan
Name: Kevin J. Corrigan
Title: Vice President

THE BANK OF NOVA SCOTIA, as a Committed Purchaser

By: _____
Name: _____
Title: _____

THE BANK OF NOVA SCOTIA, as Purchaser Agent for The Bank of Nova Scotia
and Liberty Street Funding LLC

By: _____
Name: _____
Title: _____

S-5 *Third Amendment to*

LIBERTY STREET FUNDING LLC, as a Conduit Purchaser

By: _____
Name: _____
Title: _____

THE BANK OF NOVA SCOTIA, as a Committed Purchaser

By: /s/ Doug Noe
Name: Doug 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/ Doug Noe
Name: Doug Noe
Title: Managing Director

S-5 *Third Amendment to*

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

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

HSBC BANK USA, NATIONAL ASSOCIATION,
as a Committed Purchaser

By: /s/ Chris Helmecei
Name: Chris Helmecei
Title: Global Relationship Manager

HSBC SECURITIES (USA) INC., as Purchaser
Agent for HSBC Bank USA, National Association

By: _____
Name: _____
Title: _____

HSBC BANK USA, NATIONAL ASSOCIATION,
as a Committed Purchaser

By: _____
Name: _____
Title: _____

HSBC SECURITIES (USA) INC., as Purchaser
Agent for HSBC Bank USA, National Association

By: /s/ Nick Walach
Name: Nicholas Walach
Title: Director

Exhibit A

[attached]

Exhibit A
741604250 99551574

EXECUTION VERSION
~~CONFORMED COPY INCLUDES:~~

**EXHIBIT A TO AMENDMENT 1,3, DATED AS OF ~~DECEMBER 14, 2020~~ ~~AMENDMENT 2, DATED AS OF MARCH~~
~~8, JUNE 1, 2021~~**

FIFTH AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT

dated as of June 22, 2020

among

WESCO RECEIVABLES CORP.,
as Seller,

WESCO DISTRIBUTION, INC.,
as Servicer,

THE VARIOUS PURCHASER GROUPS FROM TIME TO TIME PARTY HERETO

and

PNC BANK, NATIONAL ASSOCIATION,
as Administrator

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central bank or other Governmental Authority (whether or not having the force of law), there shall be any increase in the cost to any Affected Person of agreeing to purchase or purchasing, or maintaining the ownership of, the Purchased Interest or any portion thereof in respect of which Discount is computed by reference to the ~~Euro-Rate or the LMIR~~ applicable Benchmark, then, upon demand by such Affected Person, the Seller shall promptly pay to such Affected Person, from time to time as specified by such Affected Person, additional amounts sufficient to compensate such Affected Person for such increased costs. A certificate as to such amounts submitted to the Seller and the Administrator by such Affected Person shall be conclusive and binding for all purposes, absent manifest error.

(c) If such increased costs affect the related Affected Person's portfolio of financing transactions, such Affected Person shall use reasonable averaging and attribution methods to allocate such increased costs to the transactions contemplated by this Agreement.

(d) Notwithstanding anything to the contrary, for purposes of this Section 1.7, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act, and all requests, rules, guidelines and directives promulgated thereunder and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or any Governmental Authority, any central bank of any jurisdiction, comparable agency or other Person, in each case pursuant to, or implementing, the accord known as Basel II or Basel III, are, in the case of each of clause (i) and clause (ii) above, deemed to have been introduced or adopted after the date hereof, regardless of the date enacted, adopted, issued, promulgated or implemented.

(e) Failure or delay on the part of any Affected Person to demand compensation pursuant to this Section shall not constitute a waiver of such Affected Person's right to demand such compensation; provided that the Seller shall not be required to compensate an Affected Person pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Affected Person, as the case may be, notifies the Seller of the occurrence or event giving rise to such increased costs or reductions and of such Affected Person's intention to claim compensation therefor; provided further that, if the occurrence or event 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 1.8. Requirements of Law.

If any Affected Person reasonably determines that the existence of or compliance with: (a) any law or regulation or any change therein or in the interpretation or application thereof, in each case adopted, issued or occurring after the date hereof, or (b) any request, guideline or directive from any central bank or other Governmental Authority (whether or not having the force of law) issued or occurring after the date of this Agreement:

(i) does or shall subject such Affected Person to any tax of any kind whatsoever with respect to this Agreement, any increase in the Purchased Interest or any portion thereof or in the amount of such Person's Investment relating thereto, or does or shall change the basis of taxation of payments to such Affected Person on account of

Collections, Discount or any other amounts payable hereunder (excluding taxes imposed on the overall pre-tax net income of such Affected Person, and franchise taxes imposed on such Affected Person, by the jurisdiction under the laws of which such Affected Person is organized or a political subdivision thereof),

(ii) does or shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, or deposits or other liabilities in or for the account of, purchases, advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Affected Person that are not otherwise included in the determination of the ~~Euro-Rate, the LMR~~applicable Benchmark or the Base Rate hereunder, or

(iii) does or shall impose on such Affected Person any other condition,

and the result of any of the foregoing is: (A) to increase the cost to such Affected Person of acting as Administrator or as a Purchaser Agent, or of agreeing to purchase or purchasing or maintaining the ownership of undivided percentage ownership interests with regard to the Purchased Interest (or interests therein) or any Portion of Investment, or (B) to reduce any amount receivable hereunder (whether directly or indirectly), then, in any such case, upon demand by such Affected Person, the Seller shall promptly pay to such Affected Person additional amounts necessary to compensate such Affected Person for such additional cost or reduced amount receivable. All such amounts shall be payable as incurred. A certificate from such Affected Person to the Seller and the Administrator certifying, in reasonably specific detail, the basis for, calculation of, and amount of such additional costs or reduced amount receivable shall be conclusive and binding for all purposes, absent manifest error; provided, however, that no Affected Person shall be required to disclose any confidential or tax planning information in any such certificate; provided, further, however, that notwithstanding anything to the contrary, for purposes of this Section 1.8, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act, and all requests, rules, guidelines and directives promulgated thereunder, and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or any Governmental Authority, any central bank of any jurisdiction, comparable agency or other Person, in each case pursuant to, or implementing, the accord know as Basel II or Basel III, are, in the case of each of clause (i) and clause (ii) above, deemed to have been introduced or adopted after the date hereof, regardless of the date enacted, adopted, issued, promulgated or implemented.

Failure or delay on the part of any Affected Person to demand compensation pursuant to this Section shall not constitute a waiver of such Affected Person's right to demand such compensation; provided that the Seller shall not be required to compensate an Affected Person pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Affected Person, as the case may be, notifies the Seller of the occurrence or event giving rise to such increased costs or reductions and of such Affected Person's intention to claim compensation therefor; provided further that, if the occurrence or event 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 1.9. Inability to Determine ~~Euro-Rate or~~ LMIR.

(a) ~~Subject to Section 1.12, if~~ the Administrator (or any Purchaser Agent) determines before the first day of any Yield Period (which determination shall be final and conclusive) that, by reason of circumstances affecting the interbank eurodollar market (in respect of such Person's Purchaser Group or otherwise), deposits in dollars (in the relevant amounts for such Yield Period) are not being offered to such Person in the interbank eurodollar market for such Yield Period, or adequate means do not exist for ascertaining ~~the Euro-Rate or the~~ LMIR for such Yield Period, then the Administrator or such Purchaser Agent shall give notice thereof to the Seller. Thereafter, until the Administrator or such Purchaser Agent notifies the Seller that the circumstances giving rise to such suspension no longer exist, no Portion of Investment shall be funded by reference to ~~the Euro-Rate or the~~ LMIR and the Discount for any outstanding Portions of Investment then funded by reference to ~~the Euro-Rate or the~~ LMIR shall, on the last day of the then current Yield Period, be converted to the rate determined by reference to the Base Rate.

(b) ~~Subject to Section 1.12, if~~, on or before the first day of any Yield Period, the Administrator shall have been notified by any Purchaser, Purchaser Agent or Liquidity Provider that, such Person has determined (which determination shall be final and conclusive) that, any enactment, promulgation or adoption of or any change in any Applicable Law, or any change in the interpretation or administration thereof by a governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by such Person with any guideline, request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for such Person to fund or maintain any Portion of Investment at an interest rate based upon ~~the Euro-Rate or the~~ LMIR, the Administrator shall notify the Seller thereof. Upon receipt of such notice, until the Administrator notifies the Seller that the circumstances giving rise to such determination no longer apply, (a) no Portion of Investment shall be funded at the rate determined by reference to ~~the Euro-Rate or the~~ LMIR and (b) the Discount for any such outstanding Portions of Investment shall be converted to a rate determined by reference to the Base Rate either on the last day of the then current Yield Period if such Person may lawfully continue to maintain such Portion of Investment by reference to ~~the Euro-Rate or the~~ LMIR to such day, or immediately, if such Person may not lawfully continue to maintain such Portion of Investment by reference to ~~the Euro-Rate or the~~ LMIR to such day.

Section 1.10. Extension of Termination Date. The Seller may advise the Administrator and each Committed Purchaser in writing of its desire to extend the Scheduled Commitment Termination Date with respect to such Purchaser; provided that such request is made not more than one-hundred twenty (120) days prior to, and not less than sixty (60) days prior to, the then current Scheduled Commitment Termination Date with respect to such Purchaser. In the event that the applicable Purchaser is agreeable to such extension, the Administrator shall so notify the Seller in writing (it being understood that the Purchasers may accept or decline such a request in their sole discretion and on such terms as they may elect) not less than 30 days prior to its then current Scheduled Commitment Termination Date and the Seller, the Administrator, the Purchaser Agents and the Purchasers shall enter into such documents as the Purchasers may deem necessary or appropriate to reflect such extension, and all reasonable costs and expenses incurred by the Purchasers, the Administrator and the Purchaser Agents in connection therewith

(including reasonable Attorney Costs) shall be paid by the Seller. In the event a Purchaser declines the request for such extension, the Administrator shall so notify the Seller and each Purchaser Agent of such determination; provided, however, that the failure of the Administrator to notify the Seller of the determination to decline such extension shall not affect the understanding and agreement that the Purchaser shall be deemed to have refused to grant the requested extension in the event the Administrator fails to affirmatively notify the Seller, in writing, of their agreement to accept the requested extension.

Section 1.11. Increase in Commitments.

(a) Requests for Increase. So long as no Termination Event or Unmatured Termination Event has occurred and is continuing, upon notice to the Administrator and each Purchaser Agent, the Servicer (on behalf of the Seller) may from time to time (i) request an increase in the Commitment with respect to any existing Committed Purchaser (with the consent of the Administrator) or (ii) request that additional Persons be added as Committed Purchasers subject to the provisions of Section 1.2(e), in each case at any time following the Closing Date and prior to the Facility Termination Date (it being understood and agreed that, for the avoidance of doubt, at no time shall the aggregate of all Commitments exceed ~~\$1,400,000,000~~ 1,500,000,000); provided, that each request for an increase or addition of a Person pursuant to Section 1.2(e) shall be in a minimum amount of \$10,000,000 and increments of \$5,000,000 above such minimum amount. At the time of sending such notice with respect to any existing Committed Purchaser, the Servicer (in consultation with the Administrator and the Purchaser Agent related to such Committed Purchaser) shall specify the time period within which such Committed Purchaser and the Administrator are requested to respond to the Servicer's request (which shall in no event be less than ten (10) Business Days from the date of delivery of such notice to the Administrator and such Committed Purchaser and its related Purchaser Agent). For the avoidance of doubt, any increase in the Commitment of any Committed Purchaser is at the sole discretion of such Committed Purchaser.

(b) Elections to Increase. In respect of any existing Committed Purchaser, each of such Committed Purchaser being asked to increase its Commitment and the Administrator shall notify the Seller and the Servicer within the applicable time period whether or not such Person agrees, in its respective sole discretion, to the increase to such Committed Purchaser's Commitment. Any such Person not responding within such time period shall be deemed to have declined to consent to an increase in such Committed Purchaser's Commitment. For the avoidance of doubt, only the consent of the Committed Purchaser then being asked to increase its Commitment and the Administrator shall be required in order to approve any such request.

(c) Effective Date. If the Commitment of any existing Committed Purchaser is increased in accordance with this Section 1.11, the Administrator and the Purchaser Agent for such Committed Purchaser shall determine the effective date with respect to such increase (such date, the "Commitment Increase Effective Date").

(d) Notification by the Administrator. The Administrator shall notify each Purchaser Agent, the Seller and the Servicer of the Administrator's and such Committed

Purchaser's response to each request made hereunder, the amount of such increase (if any) and the related Commitment Increase Effective Date.

(e) Conditions to Effectiveness of Increase. As a condition precedent to each such increase, the Servicer shall deliver to the Administrator and each Purchaser Agent, a certificate of the Secretary or Assistant Secretary of each of the Seller and the Servicer, dated as of the Commitment Increase Effective Date, (i) certifying and attaching (x) the resolutions of the Board of Directors of such Person adopted by such Board of Directors approving or consenting to such Commitment increase and authorizing the execution, delivery and performance by such Person of the amendment to this Agreement contemplated in Section 1.11(c), as applicable (it being understood that such resolutions may be dated as of a date prior to the Commitment Increase Effective Date), and (y) all documents evidencing all other necessary corporate action and governmental approvals, if any, with respect to such Commitment increase and such amendment to this Agreement (it being understood that such documents may be dated as of a date prior to the Commitment Increase Effective Date) and (ii) certifying that, before and after giving effect to such increase, (x) the representations and warranties of such Person contained in Exhibit III are true and correct as of the Commitment Increase Effective Date and (y) no Termination Event or Unmatured Termination Event exists or shall exist.

(f) Conflicting Provisions. This Section 1.11 shall supersede any provisions in Section 6.1 to the contrary.

Section 1.12. Successor Euro-Rate or LMIR USD LIBOR.

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Transaction Document, ~~if the Administrator determines that a Benchmark Transition Event or an Early Opt-in Event has occurred with respect to Euro-Rate or LMIR, the Administrator and the Seller may amend this Agreement to replace Euro-Rate or LMIR, as applicable, with a Benchmark Replacement, and any such amendment will become effective at Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Transaction Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Transaction Document and (y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Transaction Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the Administrator has provided such proposed amendment to all Purchasers, date notice of such Benchmark Replacement is provided to the Purchaser Agents and Seller without any amendment to, or further action or consent of any other party to, this Agreement or any other Transaction Document so long as the Administrator has not received, by such time, written notice of objection to such amendment from Purchasers comprising Benchmark Replacement from Purchaser Agents comprising the Majority~~

~~Purchasers. Until the Benchmark Replacement with respect to Euro-Rate or LMIR, as applicable, is effective, each advance, conversion and renewal of an Investment bearing interest by reference to Euro-Rate or LMIR, as applicable, will continue to bear interest with reference to Euro-Rate or LMIR (as the case may be); provided, however, that during a Benchmark Unavailability Period (i) any pending selection of, conversion to or renewal of an Investment bearing interest by reference to Euro-Rate or LMIR that has not yet gone into effect shall be deemed to be a selection of, conversion to or renewal of the Base Rate with respect to such Investment, and such Investment shall bear interest by reference to the Base Rate (rather than by reference to Euro-Rate or LMIR), (ii) all outstanding Investments bearing interest by reference to Euro-Rate or LMIR shall automatically be converted to bear interest by reference to the Base Rate at the expiration of the existing Yield Period (or sooner, if Administrator cannot continue to lawfully maintain such affected Investment bearing interest by reference to Euro-Rate or LMIR, as applicable) and (iii) the component of the Base Rate based upon LMIR will not be used in any determination of the Base Rate. (b)~~

(b) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Administrator will have the right, in consultation with the Seller, to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Transaction 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 or any other Transaction Document.

(c) Notices, Standards for Decisions and Determinations. The Administrator will promptly notify the Seller and the ~~Purchasers of~~ (i) Purchaser Agents of (i) any occurrence of a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to paragraph (d) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrator ~~or the Purchasers, if applicable, any Purchaser Agent (or group of Purchaser Agents)~~ pursuant to this Section 1.12 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 or any selection, 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 to this Agreement or any other Transaction Document,~~ except, in each case, as expressly required pursuant to this Section 1.12.

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Transaction Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or USD LIBOR) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrator in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information

announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrator may modify the definition of “Yield Period” for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrator may modify the definition of “Yield Period” for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) Benchmark Unavailability Period. Upon the Seller’s receipt of notice of the commencement of a Benchmark Unavailability Period, the Seller may revoke any Purchase Notice delivered pursuant to Section 1.2 (if the Purchase Date has not yet occurred) or the Seller will be deemed to have requested a Purchase with Discount calculated at the Base Rate. Notwithstanding anything to the contrary set forth herein, during the Benchmark Unavailability Period, Discount on the outstanding Investment shall be determined based on the Base Rate.

(f) Secondary Term SOFR Conversion. Notwithstanding anything to the contrary herein or in any other Transaction Document and subject to the proviso below in this paragraph, if a Term SOFR Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (i) the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Transaction Document in respect of such Benchmark setting (the “Secondary Term SOFR Conversion Date”) and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Transaction Document; and (ii) Investments outstanding on the Secondary Term SOFR Conversion Date bearing interest based on the then-current Benchmark shall be deemed to have been converted to Investments bearing interest at the Benchmark Replacement with a tenor approximately the same length as the interest payment period of the then-current Benchmark; provided that, this paragraph (f) shall not be effective unless the Administrator has delivered to the Purchaser Agents and the Seller a Term SOFR Notice.

(g) ~~(d)~~ Certain Defined Terms. As used in this Section 1.12:

~~(i) — “Benchmark Replacement” means~~ “Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then current Benchmark is a term rate or is based on a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Yield Period pursuant to this Agreement as of such date and not including, ~~for the avoidance of doubt,~~ any tenor for such Benchmark that is then-removed from the definition of “Yield Period” pursuant to paragraph (d) of this Section 1.12, or (y) if the then current Benchmark is not a term rate nor based on a term rate, any payment period for interest calculated with reference to such Benchmark pursuant to this Agreement as of such date. For the avoidance of doubt, the Available Tenor for LMIR is one month.

“Benchmark” means, initially, USD LIBOR; provided that if a Benchmark Transition Event a Term SOFR Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to USD LIBOR, or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to paragraphs (a) or (f) of this Section 1.12.

“Benchmark Replacement” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrator for the applicable Benchmark Replacement Date:

- (1) the sum of: (a) Term SOFR and (b) the related Benchmark Replacement Adjustment;
- (2) the sum of: (a) Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment;
- (3) the sum of: (a) the alternate benchmark rate that has been selected by the Administrator and the Seller as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark 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 benchmark rate ~~of interest~~ as a replacement ~~to Euro-Rate or LMIR for the then-current Benchmark~~ for U.S. dollar-denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment;

provided that, ~~if the Benchmark Replacement as so determined would be less than zero~~ in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrator in its reasonable discretion and after consultation with the Seller; provided, further, that, with respect to a Term SOFR Transition Event, on the applicable Benchmark Replacement Date, the “Benchmark Replacement” shall revert to and shall be determined as set forth in clause (1) of this definition. ~~If the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above would be less than the Floor,~~ the Benchmark Replacement will be deemed to be ~~zero~~ the Floor for the purposes of this Agreement: and the other Transaction Documents.

~~(ii) —~~ “Benchmark Replacement Adjustment” means, with respect to any replacement of ~~Euro-Rate or LMIR with an alternate benchmark rate for each applicable Yield Period,~~ the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor for any setting of such Unadjusted Benchmark Replacement:

- (1) for purposes of clauses (1) and (2) of the definition of “Benchmark Replacement,” the first alternative set forth in the order below that can be determined by the Administrator:
 - a. the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the

Reference Time such Benchmark Replacement is first set for such Available Tenor that has been selected or recommended by the Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor;

b. the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Available Tenor that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and

(2) for purposes of clause (3) of the definition of “Benchmark Replacement,” 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 Administrator and the Seller (a)for the applicable Corresponding Tenor 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 Euro-Rate or LMIR, as applicable, such Benchmark with the applicable Unadjusted Benchmark Replacement (excluding such spread adjustment) by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for suchthe replacement of Euro-Rate or LMIRsuch Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated credit facilities at such time and (b) which may also reflect adjustments to account for (i) the effects of the transition from Euro-Rate or LMIR, as applicable, to the Benchmark Replacement and (ii) yield- or risk-based differences between Euro-Rate or LMIR and the Benchmark Replacement. syndicated credit facilities;

provided that, (x) in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Administrator in its reasonable discretion and (y) if the then-current Benchmark is a term rate, more than one tenor of such Benchmark is available as of the applicable Benchmark Replacement Date and the applicable Unadjusted Benchmark Replacement will not be a term rate, the Available Tenor of such Benchmark for purposes of this definition of “Benchmark Replacement Adjustment” shall be deemed to be the Available Tenor that has approximately the same length (disregarding business day adjustments) as the payment period for interest calculated with reference to such Unadjusted Benchmark Replacement.

~~(iii)~~ — “Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “Yield Period,” timing and frequency of determining rates and making payments of Discount ~~and other,~~ timing of purchase requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrator decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the

Administrator in a manner substantially consistent with market practice (or, if the Administrator decides that adoption of any portion of such market practice is not administratively feasible or if the Administrator determines that no market practice for the administration of ~~the~~such Benchmark Replacement exists, in such other manner of administration as the Administrator decides is reasonably necessary in connection with the administration of this Agreement); and the other Transaction Documents).

(iv) — “Benchmark Replacement Date” means the ~~earlier~~earliest to occur of the following events with respect to ~~Euro-Rate or LMR~~the then-current Benchmark:

- (1) ~~(A)~~ in the case of clause (A1) or (B2) of the definition of “Benchmark Transition Event,” the later of ~~(x)~~(a) the date of the public statement or publication of information referenced therein and ~~(y)~~(b) the date on which the administrator of ~~the London Interbank Offered Rate for interbank depositors in Dollars (“USD LIBOR”)~~such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide ~~USD LIBOR; or all Available Tenors of such Benchmark (or such component thereof)~~;
- (2) ~~(B)~~ in the case of clause (E3) of the definition of “Benchmark Transition Event,” the date determined by the Administrator, which date shall promptly follow the date of the public statement or publication of information referenced therein.;
- (3) in the case of a Term SOFR Transition Event, the date that is set forth in the Term SOFR Notice provided to the Purchaser Agents and the Seller pursuant to this Section 1.12, which date shall be at least 30 days from the date of the Term SOFR Notice; or
- (4) in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Purchasers, so long as the Administrator has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Purchaser Agents, written notice of objection to such Early Opt-in Election from Purchaser Agents comprising the Majority Purchasers.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

(v) — “Benchmark Transition Event” means the occurrence of one or more of the following events with respect to ~~Euro-Rate or LMR~~the then-current Benchmark:

- (1) ~~(A)~~ a public statement or publication of information by or on behalf of the administrator of ~~USD LIBOR~~such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide ~~USD-~~

~~LIBOR~~all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide ~~USD LIBOR~~any Available Tenor of such Benchmark (or such component thereof);

- (2) ~~(B)~~ a public statement or publication of information by ~~a Governmental Authority~~an Official Body having jurisdiction over the Administrator, the regulatory supervisor for the administrator of ~~USD LIBOR, the U.S.~~such Benchmark (or the published component used in the calculation thereof), the Federal Reserve ~~System Board, the Federal Reserve Bank of New York,~~ an insolvency official with jurisdiction over the administrator for ~~USD LIBOR~~such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for ~~USD LIBOR~~such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for ~~USD LIBOR~~such Benchmark (or such component), which states that the administrator of ~~USD LIBOR~~such Benchmark (or such component) has ceased or will cease to provide ~~USD LIBOR~~all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide ~~USD LIBOR, or~~any Available Tenor of such Benchmark (or such component thereof); or
- (3) ~~(C)~~ a public statement or publication of information by the regulatory supervisor for the administrator of ~~USD LIBOR or a Governmental Authority~~such Benchmark (or the published component used in the calculation thereof) or an Official Body having jurisdiction over the Administrator announcing that ~~USD LIBOR is~~all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

(vi) — “Benchmark Unavailability Period” means, ~~if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Euro Rate or LMIR and solely to the extent that Euro Rate or LMIR (as the case may be) has not been replaced with a Benchmark Replacement,~~ the period ~~(if any)~~ (x) beginning at the time that ~~such a~~ Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced ~~Euro Rate or LMIR (as the case may be)~~ the then-current Benchmark for all purposes hereunder and under any Transaction Document in accordance with this Section 1.12 and (y) ending at the time that a Benchmark Replacement has replaced ~~Euro Rate or LMIR (as the case may be)~~ the then-current Benchmark for all purposes hereunder ~~pursuant to~~and under any Transaction Document in accordance with this Section 1.12.

(vii) — “Early Opt-in Event” means ~~a determination by the Administrator that U.S. dollar-denominated credit facilities being executed at such time, or that include language similar to that contained in this Section 1.12, are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace USD LIBOR.~~

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Daily Simple SOFR” means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrator in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for business loans; provided, that if the Administrator decides that any such convention is not administratively feasible for the Administrator, then the Administrator may establish another convention in its reasonable discretion.

“Early Opt-in Election” means, if the then-current Benchmark is USD LIBOR, the occurrence of:

- (1) a notification by the Administrator to (or the request by the Seller to the Administrator to notify) each of the other parties hereto that at least five currently outstanding U.S. dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and
- (2) the joint election by the Administrator and the Seller to trigger a fallback from USD LIBOR and the provision by the Administrator of written notice of such election to the Purchasers.

“Floor” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to USD LIBOR, or, if no floor is specified, zero.

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

“Official Body” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state 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 (including any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

“Reference Time” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is USD LIBOR, 11:00 a.m. (London time) on the day that is two London

banking days preceding the date of such setting, and (2) if such Benchmark is not USD LIBOR, the time determined by the Administrator in its reasonable discretion.

(viii) — “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.

“SOFR” means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website on the immediately succeeding Business Day.

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“Term SOFR” means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“Term SOFR Notice” means a notification by the Administrator to the Purchasers and the Seller of the occurrence of a Term SOFR Transition Event.

“Term SOFR Transition Event” means the determination by the Administrator that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, and is determinable for each Available Tenor, (b) the administration of Term SOFR is administratively feasible for the Administrator and (c) a Benchmark Transition Event has previously occurred resulting in a Benchmark Replacement in accordance with Section titled “Benchmark Replacement Setting” that is not Term SOFR.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“USD LIBOR” means the London interbank offered rate for U.S. dollars, which is determined herein pursuant to the definition of “LMIR” (and for the avoidance of doubt, all references in this Agreement to either “USD LIBOR” or “LMIR” shall equally apply to the other term).

power of substitution and with full authority in the place and stead of the Seller, which appointment is coupled with an interest, to take any and all steps in the name of the Seller and on behalf of the Seller necessary or desirable, in the determination of the Administrator, after the occurrence of a Termination Event, to collect any and all amounts or portions thereof due under any and all Pool Assets, including endorsing the name of the Seller on checks and other instruments representing Collections and enforcing such Pool Assets. Notwithstanding anything to the contrary contained in this subsection, none of the powers conferred upon such attorney-in-fact pursuant to the preceding sentence shall subject such attorney-in-fact to any liability if any action taken by it shall prove to be inadequate or invalid, nor shall they confer any obligations upon such attorney-in-fact in any manner whatsoever.

Section 4.5. Responsibilities of the Seller.

(a) Anything herein to the contrary notwithstanding, the Seller shall: (i) perform all of its obligations, if any, under the Contracts related to the Pool Receivables to the same extent as if interests in such Pool Receivables had not been transferred hereunder, and the exercise by the Administrator, the Purchaser Agents or the Purchasers of their respective rights hereunder shall not relieve the Seller from such obligations, and (ii) pay when due any taxes, including any sales taxes payable in connection with the Pool Receivables and their creation and satisfaction. The Administrator, the Purchaser Agents or any of the Purchasers shall not have any obligation or liability with respect to any Pool Asset, nor shall any of them be obligated to perform any of the obligations of the Seller, Servicer, WESCO or the Originators thereunder.

(b) WESCO hereby irrevocably agrees that if at any time it shall cease to be the Servicer hereunder, it shall act (if the then-current Servicer so requests) as the data-processing agent of the Servicer and, in such capacity, WESCO shall conduct the data-processing functions of the administration of the Receivables and the Collections thereon in substantially the same way that WESCO conducted such data-processing functions while it acted as the Servicer.

Section 4.6. Servicing Fee.

(a) Subject to clause (b), the Seller shall pay to the Servicer a fee (the “Servicing Fee”) for the provision of all services relating to the collection and administration of the Pool Receivables and related cash management activities, which services shall be performed by employees of the Servicer. The Servicing Fee shall be equal to 1.0% per annum of the aggregate Outstanding Balance of the Pool Receivables as of the last day of the prior month. Such fee shall be paid through (x) the Servicer’s retention of amounts representing the Seller’s Share and the Purchaser Group’s Ratable Share of the Servicing Fee, and (y) otherwise, the distributions contemplated by Section 1.4(d).

(b) If the Servicer ceases to be WESCO or an Affiliate thereof, the servicing fee shall be the greater of: (i) the amount calculated pursuant to clause (a), and (ii) an alternative amount specified by the successor Servicer not to exceed 110% of the aggregate reasonable costs and expenses incurred by such successor Servicer in connection with the performance of its obligations as Servicer.

Section 4.7. LIBOR Notification. Section 1.12 of this Agreement provides a mechanism for determining an alternative rate of interest in the event that the London interbank offered rate is no longer available or in certain other circumstances. The Administrator 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 “USD LIBOR” or with respect to any alternative or successor rate thereto, or replacement rate therefor.

Section 4.8. Erroneous Payment.

(a) Each Purchaser hereby agrees that (i) if the Administrator notifies such Purchaser that the Administrator has determined in its sole discretion that any funds received by such Purchaser from the Administrator or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Purchaser (whether or not known to such Purchaser (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise); individually and collectively, an “Erroneous Payment”) and demands the return of such Erroneous Payment (or a portion thereof), such Purchaser shall promptly, but in no event later than one Business Day thereafter, return to the Administrator the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Purchaser to the date such amount is repaid to the Administrator in same day funds at the greater of the Overnight Bank Funding Rate and a rate determined by the Administrator in accordance with banking industry rules on interbank compensation from time to time in effect and (ii) such Purchaser shall not assert any right or claim to the Erroneous Payment, and hereby waives any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrator for the return of any Erroneous Payments received, including without limitation waiver of any defense based on “discharge for value” or any similar doctrine. A notice of the Administrator to any Purchaser under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Purchaser hereby further agrees that if it receives an Erroneous Payment from the Administrator (or any of its Affiliates) (i) that is in an amount different than (other than a *de minimis* difference), or on a different date from, that specified in a notice of payment sent by the Administrator (or any of its Affiliates) with respect to such Erroneous Payment (an “Erroneous Payment Notice”), or (ii) that was not preceded or accompanied by an Erroneous Payment Notice, it shall be on notice that, in each such case, an error has been made with respect to such Erroneous Payment. Each Purchaser further agrees that, in each such case, or if it otherwise becomes aware an Erroneous Payment (or portion thereof) may have been sent in error, such Purchaser shall promptly notify the Administrator of such occurrence and, upon demand from the Administrator, it shall promptly, but in no event later than one (1) Business Day thereafter, return to the Administrator the amount of any such Erroneous Payment (or portion thereof) that was received by such Purchaser to the date such amount is repaid to the Administrator in same day funds at the greater of the Overnight Bank Funding Rate and a rate determined by the Administrator in accordance with banking industry rules on interbank compensation from time to time in effect.

(c) The Seller and each other Purchaser hereby agree that (i) in the event an Erroneous Payment (or portion thereof) is not recovered from any Purchaser that has received such Erroneous Payment (or portion thereof) for any reason, the Administrator shall be subrogated to all the rights of such Purchaser with respect to such amount and (ii) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any obligations owed by the Seller, any Originator or the Servicer, except that in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrator from the Seller, any Originator or the Servicer for the purpose of making such Erroneous Payment.

(d) Each party's obligations under this Section 4.8 shall survive the resignation or replacement of the Administrator or any transfer of rights or obligations by, or the replacement of, a Purchaser, the termination of the Commitments or the repayment, satisfaction or discharge of all Seller's obligations (or any portion thereof) under any Transaction Document.

ARTICLE V. THE AGENTS

Section 5.1. Appointment and Authorization.

(a) Each Purchaser and Purchaser Agent hereby irrevocably designates and appoints PNC Bank, National Association as the "Administrator" hereunder and authorizes the Administrator to take such actions and to exercise such powers as are delegated to the Administrator hereby and to exercise such other powers as are reasonably incidental thereto. The Administrator shall hold, in its name, for the benefit of each Purchaser, ratably, the Purchased Interest. The Administrator shall not have any duties other than those expressly set forth herein or any fiduciary relationship with any Purchaser or Purchaser Agent, and no implied obligations or liabilities shall be read into this Agreement, or otherwise exist, against the Administrator. The Administrator does not assume, nor shall it be deemed to have assumed, any obligation to, or relationship of trust or agency with, the Seller or Servicer. Notwithstanding any provision of this Agreement or any other Transaction Document to the contrary, in no event shall the Administrator ever be required to take any action which exposes the Administrator to personal liability or which is contrary to the provision of any Transaction Document or Applicable Law.

(b) Each Purchaser hereby irrevocably designates and appoints the respective institution identified as the Purchaser Agent for such Purchaser's Purchaser Group on the signature pages hereto or in the Assumption Agreement or Transfer Supplement pursuant to which such Purchaser becomes a party hereto, and each authorizes such Purchaser Agent to take such action on its behalf under the provisions of this Agreement and to exercise such powers and perform such duties as are expressly delegated to such Purchaser Agent by the terms of this Agreement, if any, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, no Purchaser Agent shall have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Purchaser or other Purchaser Agent or the Administrator, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of such

negligence or willful misconduct of the Administrator or such Person as finally determined by a court of competent jurisdiction); provided, that in the case of each Purchaser that is a Conduit Purchaser, such indemnity shall be provided solely by the Committed Purchaser in such Conduit Purchaser's Purchaser Group.

Section 5.10. Successor Administrator.

(a) The Administrator may, upon at least five (5) days' notice to the Seller and each Purchaser and Purchaser Agent, resign as Administrator. Except as provided below, such resignation shall not become effective until a successor agent is appointed by the Majority Purchasers and has accepted such appointment. If no successor Administrator shall have been so appointed by the Majority Purchasers, within thirty (30) days after the departing Administrator's giving of notice of resignation, the departing Administrator may appoint a successor Administrator as successor Administrator. If no successor Administrator shall have been so appointed by the Majority Purchasers within sixty (60) days after the departing Administrator's giving of notice of resignation, the departing Administrator may petition a court of competent jurisdiction to appoint a successor Administrator.

(b) Upon such acceptance of its appointment as Administrator hereunder by a successor Administrator, such successor Administrator shall succeed to and become vested with all the rights and duties of the retiring Administrator, and the retiring Administrator shall be discharged from its duties and obligations under the Transaction Documents. After any retiring Administrator's resignation hereunder, the provisions of Sections 3.1 and 3.2 and this Article V shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrator.

Section 5.11. Benchmark Replacement Notification. Section 1.12 of this Agreement provides a mechanism for determining an alternative rate of interest in the event that ~~Euro Rate or LMIR~~ USD LIBOR is no longer available or in certain other circumstances. The Administrator 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 "~~LMIR~~" or "~~Euro Rate~~" USD LIBOR" or with respect to any alternative or successor rate thereto, or replacement rate therefor.

**ARTICLE VI.
MISCELLANEOUS**

Section 6.1. Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Transaction Document, or consent to any departure by the Seller or the Servicer therefrom, shall be effective unless in a writing signed by the Administrator and each of the Majority Purchasers, and, in the case of any amendment, by the other parties thereto; and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment or waiver shall, without the consent of each affected Purchaser, (A) extend the date of any payment or deposit of Collections by the Seller or the Servicer, (B) reduce the rate or extend the time of payment of Discount, (C) reduce any fees payable to the Administrator, any Purchaser Agent or any

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 Transaction 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):

(a) ~~(a)~~—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 Transaction 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 Transaction 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 Purchaser or Agent shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) ~~(b)~~—As used in this Section 6.21, the following terms have the following meanings:

“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.

“Covered Entity” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

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“Business Day” means any day (other than a Saturday or Sunday) on which: (a) banks are not authorized or required to close in New York City, New York or Pittsburgh, Pennsylvania, and (b) if this definition of “Business Day” is utilized in connection with ~~the Euro-Rate or the~~ LMIR, dealings are carried out in the London interbank market.

“Certificate of Beneficial Ownership” means, for the Seller, a certification regarding beneficial ownership required by the Beneficial Ownership Regulation, which certification shall be substantially similar in form and substance to the form of Certification Regarding Beneficial Owners of Legal Entity Customers published jointly, in May 2018, by the Loan Syndications and Trading Association and Securities Industry and Financial Markets Association.

“Change in Control” means (i) Holdings ceases to own, directly or indirectly, 100% of the capital stock of WESCO or (ii) WESCO ceases to own, directly or indirectly (including through one or more of its Subsidiaries), (a) 100% of the capital stock of the Seller free and clear of all Adverse Claims or (b) a majority of the capital stock of any Originator, in the case of each of (i) and (ii)(b) above, free and clear of all Adverse Claims other than the pledges or grants of security interest by WESCO or one or more of its Subsidiaries to (x) Barclays Bank PLC or any other Person that assumes its obligations under the Intercreditor Agreement, as agent for itself and various lenders pursuant to one or more pledge agreements and security agreements as required under the Credit Agreement as such pledge agreements or security agreements may be amended, restated, supplemented or otherwise modified from time to time and (y) such other lenders to WESCO and its Subsidiaries so long as such lenders enter into an intercreditor agreement in form and substance reasonably satisfactory to the to the Administrator (it being agreed that the Intercreditor Agreement is a form reasonably satisfactory to the Administrator).

“CIBC” means Canadian Imperial Bank of Commerce, New York Branch.

“Closing Date” means June 22, 2020.

“Collections” means, with respect to any Pool Receivable: (a) all funds that are received by any Originator, WESCO, the Seller or the Servicer in payment of any amounts owed in respect of such Receivable (including purchase price, finance charges, interest and all other charges), or applied to amounts owed in respect of such Receivable (including insurance payments and net proceeds of the sale or other disposition of repossessed goods or other collateral or property of the related Obligor or any other Person directly or indirectly liable for the payment of such Pool Receivable and available to be applied thereon), (b) all amounts deemed to have been received pursuant to Section 1.4(e) of this Agreement and (c) all other proceeds of such Pool Receivable.

“Commitment” means, with respect to each Committed Purchaser, the maximum amount which such Purchaser is obligated to pay hereunder on account of any Purchase, as set forth below its name on Schedule VI hereto to this Agreement or in the Assumption Agreement or any similar document pursuant to which it became a Purchaser, as such amount may be modified in connection with any subsequent assignment pursuant to Section 6.3(c) or in connection with a change in the Purchase Limit pursuant to Section 1.1(b) or Section 1.11.

“Dilution Volatility Component” means, for any calendar month, the product of (a) the difference of (i) the highest three-month rolling average Dilution Ratio during the twelve most recent calendar months (the “Highest 3-Month Rolling Average Dilution Ratio”) minus (ii) the Adjusted Dilution Ratio for such calendar month, multiplied by (b) a fraction (i) the numerator of which is the Highest 3-Month Rolling Average Dilution Ratio during the twelve most recent calendar months and (ii) the denominator of which is the Adjusted Dilution Ratio for such calendar month.

“Discount” means with respect to any Purchaser:

$$I \times \text{AYR}/\text{Year}$$

where:

- AYR = the “Alternate Yield Rate” as defined herein, for such Portion of Investment for such day with respect to such Purchaser,
- I = the Investment with respect to such Portion of Investment on such day or during such Yield Period, as applicable, with respect to such Purchaser,
- ED = the actual number of days during such Yield Period, and
- Year = if such Portion of Investment is funded based upon: (i) ~~the Euro-Rate or the~~ LMIR, 360 days, and (ii) the Base Rate, 365 or 366 days, as applicable.

provided, that no provision of this Agreement shall require the payment or permit the collection of Discount in excess of the maximum permitted by Applicable Law; and provided further, that Discount for any Portion of Investment shall not be considered paid by any distribution to the extent that at any time all or a portion of such distribution is rescinded or must otherwise be returned for any reason. In addition to the foregoing, any interest accrued and payable by the Seller to the Administrator pursuant to Section 1.2(b)(ii) shall constitute “Discount” payable to the Administrator hereunder for all purposes.

“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.

the meaning of Section 414(m) of the Internal Revenue Code) as the Seller, any Originator, any corporation described in clause (a) or any trade or business described in clause (b).

“Erroneous Payment” has the meaning assigned to it in Section 4.8(a).

“Erroneous Payment Notice” has the meaning assigned to it in Section 4.8(a).

“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.

“EU Risk Retention Letter” means the EU Risk Retention Agreement, dated as of the date hereof, between WESCO, the Seller, the Originators and the Administrator, as the same may be amended or modified in accordance with its terms and the terms hereof. Securitisation Regulation” means Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardized securitisation, and amending certain other European Union Directives and Regulations, as amended.

“EU Securitisation Regulation Rules” means the EU Securitisation Regulation, together with all relevant implementing regulations in relation thereto, all regulatory technical standards and implementing technical standards in relation thereto or applicable in relation thereto pursuant to any transitional arrangements made pursuant to the EU Securitisation Regulation and, in each case, any relevant guidance published in relation thereto by the European Banking Authority, the European Securities and Markets Authority and the European Insurance and Occupational Pensions Authority (or in each case, any predecessor or any other applicable regulatory authority) or by the European Commission, in each case, as amended and in effect from time to time.

“EU/UK Risk Retention Letter” means the EU/UK risk retention letter, dated as of June 1, 2021, between WESCO, the Seller, the Originators and the Administrator, as the same may be amended or modified in accordance with its terms and the terms hereof.

“Euro Rate” means with respect to any Yield Period, the greater of (a) 0.50% and (b) the interest rate per annum determined by the Administrator by dividing (the resulting quotient rounded upwards, if necessary, to the nearest 1/100th of 1% per annum) (i) the rate of interest determined by the applicable Purchaser Agent in accordance with its usual procedures (which determination shall be conclusive absent manifest error) to be the average of the London interbank market offered rates for U.S. dollars as reported on the Reuters Screen LIBOR01 Page or any other page that may replace such page from time to time for the purpose of displaying offered rates of leading banks for London interbank deposits in United States dollars at or about 11:00 a.m. (London time) on the Business Day which is two (2) Business Days prior to the first day of such Yield Period for an amount comparable to the Portion of Investment to be funded at the Alternate Yield Rate determined by reference to the Euro Rate during such Yield Period by (ii) a number equal to 1.00 minus the Euro Rate Reserve Percentage. The Euro Rate may also be expressed by the following formula: EUWA” means the European Union (Withdrawal) Act 2018, as amended.

$$\text{Euro-Rate} = \frac{\text{Average of London interbank offered rates as reported on the Reuters Screen LIBOR01 Page or appropriate successor}}{1.00 - \text{Euro-Rate Reserve Percentage}}$$

where “Euro-Rate Reserve Percentage” means, the maximum effective percentage in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including without limitation, supplemental, marginal, and emergency reserve requirements) with respect to eurocurrency funding (currently referred to as “Eurocurrency Liabilities”). The Euro-Rate shall be adjusted with respect to any Portion of Investment funded at the Alternate Yield Rate and based upon the Euro-Rate that is outstanding on the effective date of any change in the Euro-Rate Reserve Percentage as of such effective date. The applicable Purchaser Agent shall give prompt notice to the Administrator and the Seller of the Euro-Rate as determined or adjusted in accordance herewith (which determination shall be conclusive absent manifest error).

“Event of Bankruptcy” means (a) any case, action or proceeding before any court or other governmental authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors or (b) any general assignment for the benefit of creditors of a Person or any composition, marshalling of assets for creditors of a Person, or other similar arrangement in respect of its creditors generally or any substantial portion of its creditors; in each of cases (a) and (b) undertaken under U.S. Federal, state or foreign law, including the U.S. Bankruptcy Code.

“Exception Account” means (i) each account identified as such in the Lock-Box Schedule Letter Agreement and (ii) the Anixter Originator Accounts; provided, however, that no “Exception Account” may be added to the Lock-Box Schedule Letter Agreement without the prior written consent of the Administrator in its sole discretion; provided, further, that such account shall cease to be an Exception Account upon the satisfaction of the following conditions: (x) such account is maintained in the name of the Seller and (y) the Seller, the Servicer, the Administrator and the related Lock-Box Bank have entered into a Lock-Box Agreement with respect to such account, in form and substance reasonably satisfactory to the Administrator.

“Exception Account Conditions” means (a) with respect to the Frost Bank Lock-Box Account, the Frost Bank Conditions, (b) with respect to the Anixter Originator Accounts, the Anixter Originator Account Conditions and (c) with respect to each other Exception Account, (i) the amount of Collections received in (A) such Exception Account during each calendar month does not exceed \$10,000,000 (or such other amounts agreed to in writing by the Administrator, provided, however that such higher amount shall not exceed \$20,000,000 unless agreed to in writing by the Majority Purchasers) and (B) all such Exception Accounts under this clause (c), in the aggregate, during each calendar month does not exceed \$15,000,000 (or such other amounts agreed to in writing by the Administrator, provided, however that such higher amount shall not exceed \$30,000,000 unless agreed to in writing by the Majority Purchasers), (ii) no Termination Event has occurred and is continuing and (iii) all Collections received in such Exception Account

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended from time to time, and any successor statute of similar import, together with the regulations thereunder, in each case as in effect from time to time. References to sections of the Internal Revenue Code also refer to any successor sections.

“Investment” means with respect to any Purchaser the amount paid to the Seller by such Purchaser pursuant to this Agreement as reduced from time to time by Collections distributed and applied on account of such Investment pursuant to Section 1.4(d) of this Agreement; provided, that if such Investment shall have been reduced by any distribution and thereafter all or a portion of such distribution is rescinded or must otherwise be returned for any reason, such Investment shall be increased by the amount of such rescinded or returned distribution as though it had not been made.

“Joinder Conditions” means (i) such proposed additional Subject Originator shall have delivered to the Administrator each of the documents with respect to such Originator described in Section 4.1 of the Sale Agreement, in each case in form and substance reasonably satisfactory to the Administrator (it being agreed that the forms previously delivered to the Administrator are satisfactory), (ii) the aggregate Outstanding Balance of all Receivables of such Subject Originator plus the aggregate Outstanding Balance of all Receivables of each other Subject Originator joined to the Sale Agreement pursuant to an amendment not consented to by the Majority Purchasers during such calendar year do not exceed 15.0% of the aggregate Outstanding Balance of all Receivables then in the Receivables Pool, (iii) no Purchase and Sale Termination Event or Unmatured Purchase and Sale Termination Event shall have occurred and be continuing and (iv) no Termination Event or an Unmatured Termination Event shall have occurred and be continuing.

“LCR Security” means any commercial paper or security (other than equity securities issued to WESCO or any Originator that is a consolidated subsidiary of WESCO under GAAP) within the meaning of Paragraph .32(e)(viii) of the final rules titled Liquidity Coverage Ratio: Liquidity Risk Measurement Standards, 79 Fed. Reg. 197, 61440 et seq. (October 10, 2014).

“Liberty Street” means Liberty Street Funding LLC.

“Liquidity Agent” means each of the banks acting or other Persons as agent for the various Liquidity Banks under each Liquidity Agreement.

“Liquidity Agreement” means any agreement entered into in connection with this Agreement pursuant to which a Liquidity Provider agrees to make purchases or advances to, or purchase assets from, any Conduit Purchaser in order to provide liquidity for such Conduit Purchaser’s Purchases.

“Liquidity Provider” means each bank or other financial institution that provides liquidity support to any Conduit Purchaser pursuant to the terms of a Liquidity Agreement.

“LMIR” means, for any day, the greater of (a) ~~0.500.00~~% and (b) the one-month Eurodollar rate for U.S. dollar deposits as reported on the Reuters Screen LIBOR01 Page or any

“Original Agreement” has the meaning set forth in the preliminary statements of this Agreement.

“Originator” has the meaning set forth in the Sale Agreement.

“Originator Assignment Certificate” means each assignment, in substantially the form of Exhibit C to the Sale Agreement, evidencing Seller’s ownership of the Receivables generated by Originator, as the same may be amended, supplemented, amended and restated, or otherwise modified from time to time in accordance with the Sale Agreement.

“Outstanding Balance” of any Receivable at any time means the then outstanding principal balance thereof.

“Overnight Bank Funding Rate” means for any day, the rate comprised of both overnight federal funds and overnight eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the Federal Reserve Bank of New York (“NYFRB”), as set forth on its public website from time to time, and as published on the next succeeding Business Day as the overnight bank funding rate by the NYFRB (or by such other recognized electronic source (such as Bloomberg) selected by the Administrator for the purpose of displaying such rate); provided, that if such day is not a Business Day, the Overnight Bank Funding Rate for such day shall be such rate on the immediately preceding Business Day; provided, further, that if such rate shall at any time, for any reason, no longer exist, a comparable replacement rate determined by the Administrator at such time (which determination shall be conclusive absent manifest error). If the Overnight Bank Funding Rate determined as above would be less than ~~0.50~~0.00%, then such rate shall be deemed to be ~~0.50~~0.00%. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Overnight Bank Funding Rate without notice to the Seller.

“Payment Date” has the meaning set forth in Section 2.1 of the Sale Agreement.

“Person” means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

“PNC” means PNC Bank, National Association.

“Pool Assets” has the meaning set forth in Section 1.2(d) of this Agreement.

“Pool Receivable” means a Receivable in the Receivables Pool.

“Portion of Investment” means, with respect to any Purchaser and its related Investment, the portion of such Investment being funded or maintained by such Purchaser by reference to a particular interest rate basis.

“Program Support Agreement” means and includes any Liquidity Agreement and any other agreement entered into by any Program Support Provider providing for: (a) the issuance of one or more letters of credit for the account of any Conduit Purchaser, (b) the issuance of one or

more surety bonds for which the such Conduit Purchaser is obligated to reimburse the applicable Program Support Provider for any drawings thereunder, (c) the sale by such Conduit Purchaser to any Program Support Provider of the Purchased Interest (or portions thereof) maintained by such Conduit Purchaser and/or (d) the making of loans and/or other extensions of credit to any Conduit Purchaser in connection with such Conduit Purchaser's securitization program contemplated in this Agreement, together with any letter of credit, surety bond or other instrument issued thereunder (but excluding any discretionary advance facility provided by the Administrator).

“Program Support Provider” means and includes with respect to each Conduit Purchaser any Liquidity Provider and any other Person (other than any customer of such Conduit Purchaser) now or hereafter extending credit or having a commitment to extend credit to or for the account of, or to make purchases from, such Conduit Purchaser pursuant to any Program Support Agreement.

“Purchase” is defined in Section 1.1(a).

“Purchase and Sale Indemnified Amounts” has the meaning set forth in Section 9.1 of the Sale Agreement.

“Purchase and Sale Indemnified Party” has the meaning set forth in Section 9.1 of the Sale Agreement.

“Purchase and Sale Termination Date” has the meaning set forth in Section 1.4 of the Sale Agreement.

“Purchase and Sale Termination Event” has the meaning set forth in Section 8.1 of the Sale Agreement.

“Purchase Date” means the date of which a Purchase or a reinvestment is made pursuant to this Agreement.

“Purchase Facility” has the meaning set forth in Section 1.1 of the Sale Agreement.

“Purchase Limit” means, at any time, the aggregate of all Group Commitments (which, on the Closing Date, shall be ~~\$1,200,000,000~~ 1,300,000,000), as such amount may be reduced pursuant to Section 1.1(b) of this Agreement or increased pursuant to Section 1.11 of this Agreement. References to the unused portion of the Purchase Limit shall mean, at any time, the Purchase Limit minus the then outstanding Aggregate Investment.

“Purchase Price” has the meaning set forth in Section 2.1 of the Sale Agreement.

“Purchase Report” has the meaning set forth in Section 2.1 of the Sale Agreement.

“Purchased Interest” means, at any time, the undivided percentage ownership interest in: (a) each and every Pool Receivable now existing or hereafter arising, (b) all Related Security with respect to such Pool Receivables and (c) all Collections with respect to, and other proceeds

to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any Anti-Terrorism Law.

“Scheduled Commitment Termination Date” means with respect to any Committed Purchaser, the date set forth as such below its name on Schedule VII to this Agreement or in any Assumption Agreement or other document pursuant to which such Purchaser became a party hereto.

“Scotia” means The Bank of Nova Scotia.

~~“Securitisation Regulation” means Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending certain other European Union Directives and Regulations (the “EU Securitisation Regulation”) and in relation to the United Kingdom any laws, regulations or directions amending the EU Securitisation Regulation as it applies or will apply in the United Kingdom, as amended and in effect from time to time.~~

~~“Securitisation Regulation Requirements” means the Securitisation Regulation, together with any guidance or any technical standards published in relation thereto or to any precedent legislation by the European Banking Authority, the European Securities and Markets Authority, the European Insurance and Occupational Pensions Authority, the Financial Conduct Authority or the Prudential Regulation Authority (or any other applicable regulatory authority) and, in the case of any such technical standards, adopted by the European Commission, in each case as may be effective from time to time or which may be applicable pursuant to any transitional provisions of the Securitisation Regulation; provided, for the avoidance of doubt, that any reference to the Securitisation Regulation Requirements shall be deemed to include any successor or replacement provisions of the Securitisation Regulation included in any European Union directive or regulation.~~

“Seller” has the meaning set forth in the preamble to this Agreement.

“Seller’s Share” of any amount means the greater of: (a) \$0 and (b) such amount minus the product of (i) such amount multiplied by (ii) the Purchased Interest.

“Servicer” has the meaning set forth in the preamble to this Agreement.

“Servicing Fee” shall mean the fee referred to in Section 4.6 of this Agreement.

“Servicing Fee Rate” means, at any time, 1.0%.

“Settlement Date” means the 22nd day of each calendar month (or, if such day is not a Business Day, the next occurring Business Day); provided, however, if pursuant to Section 2(i)(iii) of Exhibit IV, the Servicer is required to provide Information Packages on a more frequent than monthly basis, then the “Settlement Date”, solely for purposes of amounts distributable in respect of principal pursuant to Section 1.4 in the event the

determined by the such Purchaser's Purchaser Agent, which determination shall be binding and conclusive for all purposes, absent manifest error.

“Total Reserves” means, at any time the sum of: (a) the Yield Reserve, plus (b) the greater of (i) the Dilution Reserve plus the Loss Reserve and (ii) the Minimum Dilution Reserve plus the Concentration Reserve.

“Transaction Documents” means (i) this Agreement, the Lock-Box Agreements, the Lock-Box Schedule Letter Agreement, each Purchaser Group Fee Letter, the Sale Agreement, the Intercreditor Agreement, the EU/UK Risk Retention Letter and (ii) all other certificates, instruments, UCC financing statements, reports, notices, agreements and documents executed or delivered under or in connection with this Agreement or such other agreement, in each case as the same may be amended, supplemented or otherwise modified from time to time in accordance with this Agreement.

“Transfer Supplement” has the respective meanings set forth in Sections 6.3(c) and 6.3(e).

“UCC” means the Uniform Commercial Code as from time to time in effect in the applicable jurisdiction.

“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.

“UK Securitisation Regulation” means Regulation (EU) 2017/2402 as it forms part of UK domestic law by operation of the EUWA, and as amended by the Securitisation (Amendment) (EU Exit) Regulations 2019, and as further amended.

“UK Securitisation Regulation Rules” means the UK Securitisation Regulation, together with (a) all applicable binding technical standards made under the UK Securitisation Regulation, (b) any EU regulatory technical standards or implementing technical standards relating to the EU Securitization Regulation (including such regulatory technical standards or implementing technical standards which are applicable pursuant to any transitional provisions of the EU Securitisation Regulation) forming part of UK domestic law by operation of the EUWA, (c) relevant guidance, policy statements or directions relating to the application of the UK Securitisation Regulation (or any binding technical standards) published by the Financial Conduct Authority and/or Prudential Regulation Authority (or their successors), (d) any guidelines relating to the application of the EU Securitisation Regulation which are applicable in the UK, (e) any other transitional, saving or other provision relevant to the UK Securitisation

[Regulation by virtue of the operation of the EUWA and \(f\) any other applicable laws, acts, statutory instruments, rules, guidance or policy statements published or enacted relating to the UK Securitisation Regulation, in each case, as may be amended from time to time.](#)

“Unmatured Purchase and Sale Termination Event” means any event which, with the giving of notice or lapse of time, or both, would become a Purchase and Sale Termination Event.

“Unmatured Termination Event” means an event that, with the giving of notice or lapse of time, or both, would constitute a Termination Event.

“Wells” means Wells Fargo Bank, National Association.

“WESCO” has the meaning set forth in the preamble to this Agreement.

“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.

“Yield Period” means, with respect to each Portion of Investment: (a) before the Facility Termination Date: (i) initially the period commencing on the date of the initial Purchase pursuant to Section 1.2 of this Agreement (or in the case of any fees payable hereunder, commencing on the Closing Date) and ending on (but not including) the next Settlement Date, and (ii) thereafter, each period commencing on such Settlement Date and ending on (but not including) the next Settlement Date, and (b) on and after the Facility Termination Date: such period (including a period of one day) as shall be selected from time to time by the Administrator or, in the absence of any such selection, each period of 30 days from the last day of the preceding Yield Period.

“Yield Reserve” means, on any date, an amount equal to: (a) the Aggregate Investment on such date, multiplied by (b) (i) the Yield Reserve Percentage on such date, divided by (ii) 100% minus the Yield Reserve Percentage on such date.

“Yield Reserve Percentage” means, on any date, the product of (a) 1.5, multiplied by (b) the sum of (i) the Base Rate with respect to the most recent Yield Period and (ii) the Servicing Fee Rate, multiplied by (c) a fraction (i) the numerator of which is the highest Days’ Sales Outstanding for the twelve most recent calendar months and (ii) the denominator of which is 360.

Other Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles. All terms used in Article 9 of the UCC

condition that could, in the aggregate, result in the imposition of liability on the Seller and/or any such Affiliate;

(iv) at least thirty days (or such shorter period as agreed to in writing by the Administrator) before any change in the Seller's name or any other change requiring the amendment of UCC financing statements, a notice setting forth such changes and the effective date thereof;

(v) promptly after the Seller obtains knowledge thereof, notice of any: (A) material litigation, investigation or proceeding that may exist at any time between the Seller and any Person or (B) material litigation or proceeding relating to any Transaction Document;

(vi) promptly after the occurrence thereof, notice of a material adverse change in the business, operations, property or financial or other condition of the Seller, or to its knowledge, the Servicer or any Originator;

(vii) within five (5) days after the occurrence of any joinder of a Subject Originator without the consent of the Majority Purchasers (or such later date may be agreed to by the Administrator), a copy of such joinder;

(viii) such other information respecting the Receivables or the condition or operations, financial or otherwise, of the Seller or any Originator as the Administrator or any Purchaser Agent may from time to time reasonably request;

(ix) any information available to the Seller or any of its Affiliates reasonably requested by the Administrator or any Purchaser in order to assist any Purchaser in complying with any of its obligations under Article 5 of the [EU Securitisation Regulation](#) or [Article 5 of the UK Securitisation Regulation, as applicable](#), and any other due diligence provision of the [EU Securitisation Regulation Requirements](#) or [the UK Securitisation Regulation Rules, as applicable](#), in relation to the Transaction Documents and the transactions contemplated thereby; and

(x) solely to the extent such data is reasonably available to the Seller or any of its Affiliates without additional burden or out-of-pocket expense, information regarding the Receivables as any Purchaser may reasonably request in connection with the analysis by such Purchaser of capital treatment under the accord known as Basel II, Basel III or other regulatory capital guidelines as relates to the transactions contemplated in the Transaction Documents.

Information required to be delivered pursuant to [clause \(i\)](#) of this Section shall be deemed to have been delivered if such information, or one or more annual or quarterly reports or current reports containing such information, shall have been posted by the Administrator on a SyndTrak, IntraLinks or similar site to which the Purchasers have been granted access or shall be available on the website of the Securities and Exchange Commission at <http://www.sec.gov> or on the website of Holdings. Each Purchaser shall be solely

or used to calculate the information set forth in each Information Package delivered pursuant to Section 2(i)(iii) of Exhibit IV to this Agreement.

(q) [Reserved].

(r) Anti-Money Laundering/International Trade Law Compliance. The Seller will not become a Sanctioned Person. No Covered Entity, either in its own right or through any third party, will (i) have any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (ii) do business in or with, or derives any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; (iii) engage in any dealings or transactions prohibited by any Anti-Terrorism Law or (iv) use the proceeds of any Purchase or reinvestment to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law. The funds used to repay each Purchase will not be derived from any unlawful activity. The Seller shall comply with all Anti-Terrorism Laws. The Seller shall promptly notify the Administrator and each Purchaser Agent in writing upon the occurrence of a Reportable Compliance Event.

(s) Liquidity Coverage Ratio. The Seller shall not issue any LCR Security.

(t) Beneficial Ownership Certification. Promptly following any change that would result in a change to the status as an excluded "Legal Entity Customer" under (and as defined in) the Beneficial Ownership Regulation, the Seller shall execute and deliver to the Administrator a Certification of Beneficial Owner(s) complying with the Beneficial Ownership Regulation. The information included in any Beneficial Ownership Certification shall be true and correct in all respects.

(u) Additional Assistance. The Seller shall use commercially reasonable efforts to take such further action, provide such information and enter into such other agreements not otherwise provided for hereunder as may be reasonably required by the Administrator or any Purchaser in order to assist any Purchaser in complying with any of its obligations under Article 5 of the EU Securitisation Regulation or Article 5 of the UK Securitisation Regulation, as applicable, and any other due diligence provision of the EU Securitisation Regulation Requirements Rules or the UK Securitisation Regulation Rules, as applicable, in relation to the Transaction Documents and the transactions contemplated thereby.

2. Covenants of the Servicer and WESCO. Until the Final Payout Date:

(a) Compliance with Laws, Etc. The Servicer and, to the extent that it ceases to be the Servicer, WESCO shall comply (and shall cause each Originator to comply) in all material respects with all Applicable Laws, and preserve and maintain its corporate existence, rights, franchises, qualifications and privileges, except to the extent that the failure so to comply with such laws, rules and regulations or the failure so to preserve and maintain such existence, rights, franchises, qualifications and privileges would not have a Material Adverse Effect.

Receivables and each Information Package and Daily Report generated during such fiscal year then ended, and describing the results of such review and testing, and (3) during such review and testing, not discovered any deviations (other than those described in the report) from the Credit and Collection Policy, and (B) a report in a format acceptable to each Purchaser Agent to the effect that they have applied certain procedures agreed upon with the Servicer, the Administrator and each Purchaser Agent and examined certain documents and records relating to the servicing of Receivables under this Agreement, and that, based upon such agreed upon procedures, nothing has come to the attention of such auditors that caused them to believe such servicing (including without limitation, the allocation of Collections) has not been conducted in compliance with the terms and conditions set forth herein, except for such exceptions as they believe to be immaterial and such other exceptions as shall be set forth in such statement. In addition, each report shall set forth the agreed upon procedures performed (it being understood and agreed that in any year, a field audit performed by the Administrator or its agents or representatives pursuant to Section 2(f) of this Exhibit IV may, with the prior consent of the Administrator and the Majority Purchasers, satisfy the requirements of this clause (xiii));

(xiv) not later than 30 days after the end of each month (other than months which are the last month of a calendar quarter) and within 45 days of the end of each calendar quarter, management prepared unaudited financial statements of Holdings and its consolidated Subsidiaries;

(xv) any information available to WESCO or any of its Affiliates reasonably requested by the Administrator or any Purchaser in order to assist any Purchaser in complying with any of its obligations under Article 5 of the EU Securitisation Regulation or Article 5 of the UK Securitisation Regulation, as applicable, and any other due diligence provision of the EU Securitisation Regulation ~~Requirements~~Rules or the UK Securitisation Regulation Rules, as applicable, in relation to the Transaction Documents and the transactions contemplated thereby; and

(xvi) solely to the extent such data is reasonably available to WESCO or any of its Affiliates without additional burden or out-of-pocket expense, information regarding the Receivables as any Purchaser may reasonably request in connection with the analysis by such Purchaser of capital treatment under the accord known as Basel II, Basel III or other regulatory capital guidelines as relates to the transactions contemplated in the Transaction Documents.

Information required to be delivered pursuant to clause (i) of this Section shall be deemed to have been delivered if such information, or one or more annual or quarterly reports or current reports containing such information, shall have been posted by the Administrator on a SyndTrak, IntraLinks or similar site to which the Purchasers have been granted access or shall be available on the website of the Securities and Exchange Commission at <http://www.sec.gov> or on the website of Holdings. Each Purchaser shall be solely responsible for timely accessing posted documents and maintaining its copies of such documents.

(j) Anti-Money Laundering/International Trade Law Compliance. The Servicer will not become a Sanctioned Person. No Covered Entity, either in its own right or through any third party, will (i) have any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (ii) do business in or with, or derive any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; (iii) engage in any dealings or transactions prohibited by any Anti-Terrorism Law or (iv) use the proceeds of any Purchase or reinvestment to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law. The funds used to repay each Purchase will not be derived from any unlawful activity. The Servicer shall comply with all Anti-Terrorism Laws. The Servicer shall promptly notify the Administrator and each Purchaser Agent in writing upon the occurrence of a Reportable Compliance Event.

(k) Additional Assistance. The Servicer shall use commercially reasonable efforts to take such further action, provide such information and enter into such other agreements not otherwise provided for hereunder as may be reasonably required by the Administrator or any Purchaser in order for any Purchaser to comply with any and all applicable requirements of Article 5 of the [EU Securitisation Regulation](#) or [Article 5 of the UK Securitisation Regulation](#) and any other due diligence provision of the [EU Securitisation Regulation Requirements](#) [Rules or the UK Securitisation Regulation Rules](#) in relation to the Transaction Documents and the transactions contemplated thereby.

3. Separate Existence. Each of the Seller and WESCO hereby acknowledges that the Purchasers, the Purchaser Agents, the Administrator and the Liquidity Providers are entering into the transactions contemplated by this Agreement and the other Transaction Documents in reliance upon the Seller's identity as a legal entity separate from WESCO and its Affiliates. Therefore, from and after the date hereof, each of the Seller and WESCO shall take all steps specifically required by this Agreement or reasonably required by the Administrator to continue the Seller's identity as a separate legal entity and to make it apparent to third Persons that the Seller is an entity with assets and liabilities distinct from those of WESCO and any other Person, and is not a division of WESCO, its Affiliates or any other Person. Without limiting the generality of the foregoing and in addition to and consistent with the other covenants set forth herein, each of the Seller and WESCO shall take such actions as shall be required in order that:

(a) The Seller will be a limited purpose corporation whose primary activities are restricted in its certificate of incorporation to: (i) purchasing or otherwise acquiring from the Originators, owning, holding, granting security interests or selling interests in Pool Assets, (ii) entering into agreements for the selling and servicing of the Receivables Pool, and (iii) conducting such other activities as it deems necessary or appropriate to carry out its primary activities;

(b) The Seller shall not engage in any business or activity, or incur any indebtedness or liability, other than as expressly permitted by the Transaction Documents;

SCHEDULE VI
COMMITMENTS

PNC BANK, NATIONAL ASSOCIATION,
as a Committed Purchaser for PNC Bank, National Association

Commitment: \$~~265,000,000~~287,083,333.32

FIFTH THIRD BANK, NATIONAL ASSOCIATION
as a Committed Purchaser for Fifth Third Bank, National Association

Commitment: \$~~192,500,000~~208,541,666.67

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Committed Purchaser for Wells Fargo Bank, National Association

Commitment: \$~~205,000,000~~222,083,333.33

THE BANK OF NOVA SCOTIA,
as a Committed Purchaser for Liberty Street Funding LLC

Commitment: \$~~147,500,000~~159,791,666.67

THE TORONTO-DOMINION BANK,
as a Committed Purchaser for Reliant Trust

Commitment: \$~~147,500,000~~159,791,666.67

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~~111,041,666.67

BANK OF AMERICA, NATIONAL ASSOCIATION,
as a Committed Purchaser for Bank of America, National Association

Commitment: \$~~90,000,000~~97,500,000.00

HSBC BANK USA, NATIONAL ASSOCIATION,
as Committed Purchaser

Commitment: \$~~50,000,000~~54,166,666.67

SCHEDULE VII

SCHEDULED COMMITMENT TERMINATION DATE

PNC BANK, NATIONAL ASSOCIATION,
as a Committed Purchaser for PNC Bank, National Association

Scheduled Commitment Termination Date: June ~~22, 2023~~ 21, 2024

FIFTH THIRD BANK, NATIONAL ASSOCIATION
as a Committed Purchaser for Fifth Third Bank, National Association

Scheduled Commitment Termination Date: June ~~22, 2023~~ 21, 2024

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Committed Purchaser for Wells Fargo Bank, National Association

Scheduled Commitment Termination Date: June ~~22, 2023~~ 21, 2024

THE BANK OF NOVA SCOTIA,
as a Committed Purchaser for Liberty Street Funding LLC

Scheduled Commitment Termination Date: June ~~22, 2023~~ 21, 2024

THE TORONTO-DOMINION BANK,
as a Committed Purchaser for Reliant Trust

Scheduled Commitment Termination Date: June ~~22, 2023~~ 21, 2024

BANK OF AMERICA, NATIONAL ASSOCIATION,
as a Committed Purchaser for Bank of America, National Association

Scheduled Commitment Termination Date: June ~~22, 2023~~ 21, 2024

THE CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH,
as a Committed Purchaser for Canadian Imperial Bank of Commerce, New York Branch

Scheduled Commitment Termination Date: June ~~22, 2023~~ 21, 2024

HSBC BANK USA, NATIONAL ASSOCIATION,
as Committed Purchaser

Scheduled Commitment Termination Date: June ~~22, 2023~~ 21, 2024

Annex A

[attached]

CLOSING MEMORANDUM
THIRD AMENDMENT TO
FIFTH AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT

Among

WESCO RECEIVABLES CORP.,
as Seller

WESCO DISTRIBUTION, INC.,
as Servicer

PNC BANK, NATIONAL ASSOCIATION,
as Administrator

and

**the various Conduit Purchasers, Related Committed Purchasers
and Purchaser Agents from time to time party thereto**

For June 1, 2021 Closing

Abbreviations:

Administrator	PNC Bank, National Association
Company	WESCO Receivables Corp.
Committed Purchasers	PNC, Wells Fargo Bank, N.A.; Fifth Third Bank; The Bank of Nova Scotia; The Toronto-Dominion Bank; Bank of America; N.A.; Canadian Imperial Bank of Commerce, New York Branch, and HSBC Bank USA, National Association
Conduit Purchasers	Liberty Street Funding LLC and Reliant Trust
JD	Jones Day, as counsel to the Servicer and the Company
Lock-Box Banks	To be determined
MB	Mayer Brown LLP
Originators	Accu-Tech Corporation, a Georgia Corporation; Anixter Inc., a Delaware corporation; Anixter Power Solutions Inc., a Michigan Corporation; Atlanta Electrical Distributors, LLC; Calvert Wire & Cable Corporation; Carlton-Bates Company; Communications Supply Corporation; Conney Safety Products, LLC; Hi-Line Utility Supply Company, LLC; Hill Country Electric Supply, L.P.; Liberty Wire & Cable, Inc.; Needham Electric Supply, LLC; TVC Communications, L.L.C.; WESCO Distribution, Inc.; Wesco Integrated Supply, Inc. and WESCO Services, LLC
PNC	PNC Bank, National Association
Purchaser Agents	PNC, Wells Fargo Bank, N.A.; Fifth Third Bank; The Bank of Nova Scotia; The Toronto-Dominion Bank; Bank of America; N.A.; Canadian Imperial Bank of Commerce, New York Branch, and HSBC Securities (USA) Inc.
Purchasers	Conduit Purchasers and Committed Purchasers
Servicer	WESCO Distribution, Inc.

A. MAIN DOCUMENTS

1. 3rd Amendment to Fifth Amended and Restated Receivables Purchase Agreement (the “RPA”)

Exhibit A to 3rd Amendment to RPA

2. Ninth Amended and Restated Purchaser Group Fee Letter
3. Amended and Restated EU/UK Risk Retention Letter
4. Fourteenth Amendment to PNC Lock-Box Agreement
5. Eleventh Amendment to Lock-Box Schedule Letter Agreement

B. DOCUMENTATION AS TO AUTHORITY, INCUMBENCY AND OTHER MATTERS

6. Secretary’s Certificate of Servicer as to:

- a. Resolutions of Board of Directors
- b. Certificate of Incorporation
- c. By-laws
- d. Incumbency and signature

7. Secretary’s Certificate of Company as to:

- a. Resolutions of Board of Directors
- b. Certificate of Incorporation
- c. By-laws
- d. Incumbency and signature

8. Good Standing Certificate for the Servicer from the Secretary of State of the State of Delaware

9. Good Standing Certificate for the Company from the Secretary of State of the State of Delaware

C. LEGAL OPINION

10. Opinion of Counsel to Servicer and Company Re: General Corporate and Enforceability matters

D. MISCELLANEOUS

11. Payment of fees

Exhibit 31.1
CERTIFICATION

I, John J. Engel, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: August 6, 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 quarterly report on Form 10-Q 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: August 6, 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 Quarterly Report of WESCO International, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2021, 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: August 6, 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 Quarterly Report of WESCO International, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2021, 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: August 6, 2021

By: /s/ David S. Schulz

David S. Schulz

Executive Vice President and Chief Financial Officer