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DELTA REPORT

10-Q

MSM - MSC INDUSTRIAL DIRECT CO

10-Q - DECEMBER 02, 2023 COMPARED TO 10-Q - JUNE 03, 2023

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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 3, 2023** **December 2, 2023**

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: **1-14130**

MSC INDUSTRIAL DIRECT CO., INC.

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction of
incorporation or organization)

11-3289165

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

515 Broadhollow Road, Suite 1000, Melville, New York

(Address of principal executive offices)

11747

(Zip Code)

(516) 812-2000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.001 per share	MSM	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 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 such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or 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

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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 **June 15, 2023** **December 20, 2023**, **47,398,085** **56,400,388** shares of Class A Common Stock and **8,654,010** shares of Class B Common Stock of the registrant were outstanding.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Report") contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Discussions containing such forward-looking statements may be found in Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 3, "Quantitative and Qualitative Disclosures About Market Risk" of Part I and Item 1, "Legal Proceedings" and Item 1A, "Risk Factors" of Part II of this Report, as well as within this Report generally. The words "will," "may," "believes," "anticipates," "thinks," "expects," "estimates," "plans," "intends," "intends" and similar expressions are intended to identify forward-looking statements. In addition, statements which refer to expectations, projections or other characterizations of future events or circumstances, statements involving a discussion of strategy, plans or intentions, statements about management's assumptions, projections or predictions of future events or market outlook and any other statement other than a statement of present or historical fact are forward-looking statements. We expressly disclaim any obligation to publicly disclose any revisions to these forward-looking statements to reflect events or circumstances occurring subsequent to filing this Report with the United States Securities and Exchange Commission (the "SEC"), except to the extent required by applicable law. These forward-looking statements are subject to risks and uncertainties, including, without limitation, those discussed in Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 3, "Quantitative and Qualitative Disclosures About Market Risk" of Part I and Item 1, "Legal Proceedings" and Item 1A, "Risk Factors" of Part II of this Report, as well as in Item 1A, "Risk Factors" of Part I and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" of Part II of our Annual Report on Form 10-K for the fiscal year ended **September 3, 2022** September 2, 2023. In addition, new risks may emerge from time to time and it is not possible for management to predict such risks or to assess the impact of such risks on our business or financial results. Accordingly, future results may differ materially from historical results or from those discussed or implied by these forward-looking statements. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements. These risks and uncertainties include, but are not limited to, the following:

- general economic conditions in the markets in which we operate;
- changing customer and product mixes;
- volatility in commodity and energy prices, the impact of prolonged periods of low, high and or rapid inflation, and fluctuations in interest rates;
- competition, including the adoption by competitors of aggressive pricing strategies and or sales methods;
- industry consolidation and other changes in the industrial distribution sector;
- our ability to realize the expected benefits from our investment and strategic plans, including our transition from being a spot-buy supplier to a mission-critical partner to our customers; plans;
- our ability to realize the expected cost savings and benefits from our restructuring activities and structural cost reductions;
- the retention of key management personnel;
- the credit risk of our customers, higher inflation and fluctuations in interest rates; customers;
- the risk of customer cancellation or rescheduling of orders;
- difficulties in calibrating customer demand for our products, which could cause an inability to sell excess products ordered from manufacturers resulting in inventory write-downs or could conversely cause inventory shortages of such products;
- work stoppages, labor shortages or other business interruptions (including disruptions, including those due to extreme weather conditions) conditions, at transportation centers, shipping ports, our headquarters or our customer fulfillment centers;
- disruptions or breaches of our information technology systems or violations of data privacy laws;
- the retention of our ability to attract, train and retain qualified sales and customer service personnel and metalworking and specialty sales specialists;
- the risk of loss of key suppliers or contractors or key brands or supply chain disruptions, including due to import restrictions or global geopolitical conditions; disruptions;
- changes to governmental trade or sanctions policies, including the impact from significant import restrictions or tariffs or moratoriums on economic activity with certain countries or regions;
- risks related to opening or expanding our customer fulfillment centers;
- our ability to estimate the cost of healthcare claims incurred under our self-insurance plan;
- litigation risk due to the nature of our business;
- risks associated with the integration of acquired businesses or other strategic transactions;
- financial restrictions on outstanding borrowings;
- our ability to maintain our credit facilities or incur additional borrowings on terms we deem attractive;
- the failure to comply with applicable environmental, health and safety laws and regulations and other laws applicable to our business;
- the outcome of government or regulatory proceedings or future litigation; proceedings;

- goodwill and other indefinite-lived intangible assets recorded resulting from as a result of our acquisitions could be become impaired;
- our common stock price may be volatile due to factors outside of our control;
- the significant control influence that our principal shareholders currently exercise will continue to have over us, which may result in our taking actions or failing to take actions which our other shareholders do not prefer; decisions; and
- any delays with respect to, or the failure to complete, the Reclassification (as defined below), including the failure to receive the requisite shareholder approvals; the outcome of any legal proceedings that may be instituted against us or others relating to the Reclassification; our ability to realize the desired benefits from the Reclassification; and the effect of the announcement or the consummation of the Reclassification on the market price of our common stock. (as defined in Note 8, "Shareholders' Equity").

MSC INDUSTRIAL DIRECT CO., INC.

QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED JUNE 3, DECEMBER 2, 2023

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

MSC INDUSTRIAL DIRECT CO., INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

		June 3, 2023 (Unaudited)	September 3, 2022		December 2, 2023 (Unaudited)		September 2, 2023
ASSETS	ASSETS				ASSETS		
Current Assets:	Current Assets:				Current Assets:		
Cash and cash equivalents	Cash and cash equivalents	\$ 58,428	\$ 43,537		Cash and cash equivalents	\$ 25,805	\$ 50,052
Accounts receivable, net of allowance for credit losses of \$21,968 and \$20,771, respectively		438,555	687,608				
Accounts receivable, net of allowance for credit losses of \$20,271 and \$22,747, respectively					Accounts receivable, net of allowance for credit losses of \$20,271 and \$22,747, respectively		
Inventories	Inventories	726,863	715,625		Inventories	709,362	726,521
Prepaid expenses and other current assets	Prepaid expenses and other current assets	92,371	96,853		Prepaid expenses and other current assets	121,519	105,519
Total current assets	Total current assets	1,316,217	1,543,623		Total current assets	1,270,966	1,317,513
Property, plant and equipment, net	Property, plant and equipment, net	307,123	286,666		Property, plant and equipment, net	322,091	319,660
Goodwill	Goodwill	718,304	710,130		Goodwill	718,318	718,174
Identifiable intangibles, net	Identifiable intangibles, net	114,262	114,328		Identifiable intangibles, net	106,890	110,641
Operating lease assets	Operating lease assets	60,091	64,780		Operating lease assets	61,076	65,909
Other assets	Other assets	10,682	9,887		Other assets	14,383	12,237
Total assets	Total assets	\$ 2,526,679	\$ 2,729,414		Total assets	\$ 2,493,724	\$ 2,544,134
LIABILITIES AND SHAREHOLDERS' EQUITY	LIABILITIES AND SHAREHOLDERS' EQUITY				LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:	Current Liabilities:				Current Liabilities:		
Current portion of debt including obligations under finance leases	Current portion of debt including obligations under finance leases	\$ 290,281	\$ 325,680		Current portion of debt including obligations under finance leases	\$ 244,048	\$ 229,935
Current portion of operating lease liabilities	Current portion of operating lease liabilities	18,573	18,560		Current portion of operating lease liabilities	20,694	21,168
Accounts payable	Accounts payable	209,859	217,378		Accounts payable	188,976	226,299
Accrued expenses and other current liabilities	Accrued expenses and other current liabilities	164,762	164,326		Accrued expenses and other current liabilities	174,140	172,034
Total current liabilities	Total current liabilities	683,475	725,944		Total current liabilities	627,858	649,436
Long-term debt including obligations under finance leases	Long-term debt including obligations under finance leases	174,017	468,912		Long-term debt including obligations under finance leases	294,430	224,391
Noncurrent operating lease liabilities	Noncurrent operating lease liabilities	42,898	47,616		Noncurrent operating lease liabilities	41,410	45,924

Deferred income taxes and tax uncertainties	Deferred income taxes and tax uncertainties	123,743	124,659	Deferred income taxes and tax uncertainties	131,801	131,801
Total liabilities	Total liabilities	1,024,133	1,367,131	Total liabilities	1,095,499	1,051,552
Commitments and Contingencies	Commitments and Contingencies			Commitments and Contingencies		
Shareholders' Equity:	Shareholders' Equity:			Shareholders' Equity:		
MSC Industrial	MSC Industrial			MSC Industrial		
Shareholders' Equity:	Shareholders' Equity:			Shareholders' Equity:		
Preferred Stock; \$0.001 par value; 5,000,000 shares authorized; none issued and outstanding	Preferred Stock; \$0.001 par value; 5,000,000 shares authorized; none issued and outstanding	—	—	Preferred Stock; \$0.001 par value; 5,000,000 shares authorized; none issued and outstanding	—	—
Class A Common Stock (one vote per share); \$0.001 par value; 100,000,000 shares authorized; 48,636,890 and 48,447,384 shares issued, respectively	49	48				
Class B Common Stock (10 votes per share); \$0.001 par value; 50,000,000 shares authorized; 8,654,010 and 8,654,010 shares issued and outstanding, respectively	9	9				
Class A Common Stock (one vote per share); \$0.001 par value; 100,000,000 shares authorized; 57,714,018 and 48,075,100 shares issued, respectively			Class A Common Stock (one vote per share); \$0.001 par value; 100,000,000 shares authorized; 57,714,018 and 48,075,100 shares issued, respectively	58	48	
Class B Common Stock (10 votes per share); \$0.001 par value; 0 shares authorized; 0 and 8,654,010 shares issued and outstanding, respectively			Class B Common Stock (10 votes per share); \$0.001 par value; 0 shares authorized; 0 and 8,654,010 shares issued and outstanding, respectively	—	9	
Additional paid-in capital	Additional paid-in capital	839,106	798,408	Additional paid-in capital	1,052,729	849,502
Retained earnings	Retained earnings	776,365	681,292	Retained earnings	464,962	755,007
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(18,233)	(23,121)	Accumulated other comprehensive loss	(17,277)	(17,725)
Class A treasury stock, at cost, 1,238,805 and 1,228,472 shares, respectively	(108,036)	(106,202)				
Class A treasury stock, at cost, 1,304,313 and 1,230,960 shares, respectively			Class A treasury stock, at cost, 1,304,313 and 1,230,960 shares, respectively	(115,399)	(107,677)	
Total MSC Industrial shareholders' equity	Total MSC Industrial shareholders' equity	1,489,260	1,350,434	Total MSC Industrial shareholders' equity	1,385,073	1,479,164
Noncontrolling interest	Noncontrolling interest	13,286	11,849	Noncontrolling interest	13,152	13,418
Total shareholders' equity	Total shareholders' equity	1,502,546	1,362,283	Total shareholders' equity	1,398,225	1,492,582
Total liabilities and shareholders' equity	Total liabilities and shareholders' equity	\$ 2,526,679	\$ 2,729,414	Total liabilities and shareholders' equity	\$ 2,493,724	\$ 2,544,134

See accompanying Notes to Condensed Consolidated Financial Statements.

MSC INDUSTRIAL DIRECT CO., INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)

(Unaudited)

		Thirteen Weeks Ended				Thirty-Nine Weeks Ended				Thirteen Weeks Ended			
		June 3, 2023		May 28, 2022		June 3, 2023		May 28, 2022		December 2, 2023		December 3, 2022	
		Net sales	Net sales	\$ 1,054,464	\$ 958,579	\$ 2,973,841	\$ 2,669,648	Net sales	Net sales	\$ 953,969	\$ 957,745		
Net sales	Net sales	\$ 1,054,464	\$ 958,579	\$ 2,973,841	\$ 2,669,648	Net sales	Net sales	\$ 953,969	\$ 957,745				
Cost of goods sold	Cost of goods sold	625,527	547,430	1,750,410	1,539,628	Cost of goods sold	Cost of goods sold	560,852	559,946				
Gross profit	Gross profit	428,937	411,149	1,223,431	1,130,020	Gross profit	Gross profit	393,117	397,799				
Operating expenses	Operating expenses	291,706	271,046	852,031	793,600	Operating expenses	Operating expenses	290,633	279,695				
Restructuring and other costs	Restructuring and other costs	1,845	3,267	5,722	11,684	Restructuring and other costs	Restructuring and other costs	916	2,094				
Income from operations	Income from operations	135,386	136,836	365,678	324,736	Income from operations	Income from operations	101,568	116,010				
Other income (expense):	Other income (expense):					Other income (expense):	Other income (expense):						
Interest expense	Interest expense	(5,038)	(4,277)	(17,913)	(11,622)	Interest expense	Interest expense	(5,320)	(6,919)				
Interest income	Interest income	513	17	764	57	Interest income	Interest income	125	100				
Other (expense) income, net	Other (expense) income, net	(4,456)	558	(8,095)	236	Other expense, net	Other expense, net	(5,055)	(1,340)				
Total other expense	Total other expense	(8,981)	(3,702)	(25,244)	(11,329)	Total other expense	Total other expense	(10,250)	(8,159)				
Income before provision for income taxes	Income before provision for income taxes	126,405	133,134	340,434	313,407	Income before provision for income taxes	Income before provision for income taxes	91,318	107,851				
Provision for income taxes	Provision for income taxes	31,266	33,417	84,768	77,279	Provision for income taxes	Provision for income taxes	22,190	26,639				
Net income	Net income	95,139	99,717	255,666	236,128	Net income	Net income	69,128	81,212				
Less: Net (loss) income attributable to noncontrolling interest		(41)	60	32	473	Less: Net loss attributable to noncontrolling interest	Less: Net loss attributable to noncontrolling interest	(222)	(102)				
Net income attributable to MSC Industrial	Net income attributable to MSC Industrial	\$ 95,180	\$ 99,657	\$ 255,634	\$ 235,655	Net income attributable to MSC Industrial	Net income attributable to MSC Industrial	\$ 69,350	\$ 81,314				
Per share data attributable to MSC Industrial	Per share data attributable to MSC Industrial					Per share data attributable to MSC Industrial	Per share data attributable to MSC Industrial						
Net income per common share: Basic	Net income per common share: Basic	\$ 1.70	\$ 1.78	\$ 4.57	\$ 4.23	Net income per common share: Basic	Net income per common share: Basic	\$ 1.23	\$ 1.45				
Diluted	Diluted	\$ 1.69	\$ 1.78	\$ 4.56	\$ 4.21	Diluted	Diluted	\$ 1.22	\$ 1.45				

Weighted-average shares used in computing net income per common share:	Weighted-average shares used in computing net income per common share:	Weighted-average shares used in computing net income per common share:
Basic	Basic	Basic
Diluted	Diluted	Diluted

See accompanying Notes to Condensed Consolidated Financial Statements.

MSC INDUSTRIAL DIRECT CO., INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (In thousands)
 (Unaudited)

	Net income, as reported	Thirteen Weeks Ended		Thirty-Nine Weeks Ended		Thirteen Weeks Ended	
		June 3, 2023	May 28, 2022	June 3, 2023	May 28, 2022	December 2, 2023	December 3, 2022
		\$ 95,139	\$ 99,717	\$ 255,666	\$ 236,128	\$ 69,128	\$ 81,212
Net income, as reported	Net income, as reported	\$ 95,139	\$ 99,717	\$ 255,666	\$ 236,128	\$ 69,128	\$ 81,212
Other comprehensive income, net of tax:	Other comprehensive income, net of tax:						
Foreign currency translation adjustments	Foreign currency translation adjustments	2,474	542	6,293	(682)	404	1,270
Comprehensive income ⁽¹⁾	Comprehensive income ⁽¹⁾	97,613	100,259	261,959	235,446	69,532	82,482
Comprehensive income attributable to noncontrolling interest:	Comprehensive income attributable to noncontrolling interest:						
Net loss (income)	Net loss (income)	41	(60)	(32)	(473)		
Net loss	Net loss					222	102
Foreign currency translation adjustments	Foreign currency translation adjustments	(270)	(453)	(1,405)	(366)	44	(335)
Comprehensive income attributable to MSC Industrial	Comprehensive income attributable to MSC Industrial	\$ 97,384	\$ 99,746	\$ 260,522	\$ 234,607	\$ 69,798	\$ 82,249

⁽¹⁾ There were no material taxes associated with other comprehensive income during the thirteen- and thirty-nine-week thirteen-week periods ended June 3, 2023 December 2, 2023 and May 28, 2022 December 3, 2022.

See accompanying Notes to Condensed Consolidated Financial Statements.

MSC INDUSTRIAL DIRECT CO., INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
 (In thousands, except per share data)

(Unaudited)

		Thirteen Weeks Ended				Thirty-Nine Weeks Ended				Thirteen Weeks Ended			
		June 3, 2023		May 28, 2022		June 3, 2023		May 28, 2022		December 2, 2023		December 3, 2022	
		Class A Common Stock											
Beginning Balance	Beginning Balance	\$ 49	\$ 48	\$ 48	\$ 48	\$ 49	\$ 48	\$ 48	\$ 48	\$ 48	\$ 48	\$ 48	\$ 48
Associate Incentive Plans	Associate Incentive Plans	—	—	—	1	—	—	—	—	—	—	—	1
Repurchase and retirement of Class A Common Stock	Repurchase and retirement of Class A Common Stock	—	—	—	—	—	—	—	—	—	—	—	—
Reclassification of Class B Common Stock to Class A Common Stock	Reclassification of Class B Common Stock to Class A Common Stock	—	—	—	—	—	—	—	—	—	—	—	—
Ending Balance	Ending Balance	49	48	49	48	49	48	48	58	58	49	49	—
Class B Common Stock	Class B Common Stock	—	—	—	—	—	—	—	—	—	—	—	—
Beginning Balance	Beginning Balance	9	9	9	9	9	9	9	9	9	9	9	9
Reclassification of Class B Common Stock to Class A Common Stock	Reclassification of Class B Common Stock to Class A Common Stock	—	—	—	—	—	—	—	—	—	—	—	—
Ending Balance	Ending Balance	9	9	9	9	9	9	9	—	—	9	9	—
Additional Paid-in Capital	Additional Paid-in Capital	—	—	—	—	—	—	—	—	—	—	—	—
Beginning Balance	Beginning Balance	824,268	766,156	798,408	740,867	849,502	798,408	—	—	—	—	—	—
Associate Incentive Plans	Associate Incentive Plans	14,838	14,155	40,753	39,444	15,037	16,115	—	—	—	—	—	—
Repurchase and retirement of Class A Common Stock	Repurchase and retirement of Class A Common Stock	—	—	(55)	—	(214)	(30)	—	—	—	—	—	—
Reclassification of Class B Common Stock to Class A Common Stock	Reclassification of Class B Common Stock to Class A Common Stock	—	—	—	—	—	—	—	—	—	—	—	—
Ending Balance	Ending Balance	839,106	780,311	839,106	780,311	1,052,729	814,493	—	—	—	—	—	—
Retained Earnings	Retained Earnings	—	—	—	—	—	—	—	—	—	—	—	—
Beginning Balance	Beginning Balance	725,826	584,283	681,292	532,315	755,007	681,292	—	—	—	—	—	—
Net Income	Net Income	95,180	99,657	255,634	235,655	69,350	81,314	—	—	—	—	—	—
Repurchase and retirement of Class A Common Stock	Repurchase and retirement of Class A Common Stock	—	—	(26,522)	—	(123,314)	(14,282)	—	—	—	—	—	—

Regular cash dividends declared on Class A	Regular cash dividends declared on Class A					Regular cash dividends declared on Class A		
Common Stock	Common Stock	(37,334)	(35,455)	(111,973)	(106,060)	A Common Stock	(47,192)	(37,370)
Regular cash dividends declared on Class B	Regular cash dividends declared on Class B					Regular cash dividends declared on Class B		
Common Stock	Common Stock	(6,837)	(6,491)	(20,511)	(19,472)	B Common Stock	—	(6,837)
Reclassification of Class B Common Stock to Class A Common Stock						Reclassification of Class B Common Stock to Class A Common Stock	(188,406)	—
Dividend equivalents declared, net of cancellations	Dividend equivalents declared, net of cancellations	(470)	(550)	(1,555)	(994)	Dividend equivalents declared, net of cancellations	(483)	(552)
Ending Balance	Ending Balance	776,365	641,444	776,365	641,444	Ending Balance	464,962	703,565
Accumulated Other Comprehensive Loss	Accumulated Other Comprehensive Loss					Accumulated Other Comprehensive Loss		
Beginning Balance	Beginning Balance	(20,437)	(19,121)	(23,121)	(17,984)	Beginning Balance	(17,725)	(23,121)
Foreign Currency Translation Adjustment	Foreign Currency Translation Adjustment	2,204	89	4,888	(1,048)	Foreign Currency Translation Adjustment	448	935
Ending Balance	Ending Balance	(18,233)	(19,032)	(18,233)	(19,032)	Ending Balance	(17,277)	(22,186)
Treasury Stock	Treasury Stock					Treasury Stock		
Beginning Balance	Beginning Balance	(108,781)	(107,401)	(106,202)	(104,384)	Beginning Balance	(107,677)	(106,202)
Associate Incentive Plans	Associate Incentive Plans	810	877	2,661	2,673	Associate Incentive Plans	794	837
Repurchases of Class A Common Stock		(65)	(131)	(4,495)	(4,944)			
Repurchase of Class A Common Stock						Repurchase of Class A Common Stock		
Ending Balance	Ending Balance	(108,036)	(106,655)	(108,036)	(106,655)	Ending Balance	(8,516)	(4,227)
Total Shareholders' Equity Attributable to MSC Industrial	Total Shareholders' Equity Attributable to MSC Industrial	1,489,260	1,296,125	1,489,260	1,296,125	Total Shareholders' Equity Attributable to MSC Industrial	1,385,073	1,386,338
Noncontrolling Interest	Noncontrolling Interest					Noncontrolling Interest		
Beginning Balance	Beginning Balance	13,057	11,327	11,849	11,001	Beginning Balance	13,418	11,849
Foreign Currency Translation Adjustment	Foreign Currency Translation Adjustment	270	453	1,405	366	Foreign Currency Translation Adjustment	(44)	335
Net (Loss) Income		(41)	60	32	473			
Net Loss						Net Loss	(222)	(102)
Ending Balance	Ending Balance	13,286	11,840	13,286	11,840	Ending Balance	13,152	12,082

Total	Total				Total
Shareholders'	Shareholders'				Shareholders'
Equity	Equity	\$ 1,502,546	\$ 1,307,965	\$ 1,502,546	\$ 1,307,965
Dividends declared per Class A Common Share	Dividends declared per Class A Common Share	\$ 0.79	\$ 0.75	\$ 2.37	\$ 2.25
Dividends declared per Class B Common Share	Dividends declared per Class B Common Share	\$ 0.79	\$ 0.75	\$ 2.37	\$ 2.25

See accompanying Notes to Condensed Consolidated Financial Statements.

MSC INDUSTRIAL DIRECT CO., INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

Cash Flows from Operating Activities:	Thirty-Nine Weeks Ended				Thirteen Weeks Ended			
	June 3, 2023		May 28, 2022		December 2, 2023		December 3, 2022	
	Cash Flows from Operating Activities:	Net income	Net income	\$ 255,666	Net income	\$ 236,128	Net income	\$ 69,128
Net income	Net income	\$ 255,666	\$ 236,128		Net income	\$ 69,128	\$ 81,212	
Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:				Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	Depreciation and amortization	56,122	52,426		Depreciation and amortization	19,782	18,566	
Non-cash operating lease cost	Non-cash operating lease cost	14,831	12,583		Non-cash operating lease cost	5,559	4,872	
Stock-based compensation	Stock-based compensation	14,624	14,559		Stock-based compensation	5,201	4,990	
Loss on disposal of property, plant and equipment	Loss on disposal of property, plant and equipment	481	489		Loss on disposal of property, plant and equipment	98	229	
Non-cash changes in fair value of estimated contingent consideration					Non-cash changes in fair value of estimated contingent consideration	220	—	
Provision for credit losses	Provision for credit losses	6,826	6,255		Provision for credit losses	90	2,673	
Deferred income taxes		(915)	(341)					
Changes in operating assets and liabilities:	Changes in operating assets and liabilities:				Changes in operating assets and liabilities:			
Accounts receivable	Accounts receivable	247,557	(113,664)		Accounts receivable	21,170	56	
Inventories	Inventories	(6,255)	(55,866)		Inventories	17,218	(9,516)	
Prepaid expenses and other current assets	Prepaid expenses and other current assets	5,831	(2,859)		Prepaid expenses and other current assets	(16,036)	(22,764)	

Operating lease liabilities	Operating lease liabilities	(14,845)	(12,674)	Operating lease liabilities	(5,717)	(4,843)
Other assets	Other assets	(487)	(1,405)	Other assets	(2,132)	(508)
Accounts payable and accrued liabilities	Accounts payable and accrued liabilities	(12,359)	(329)	Accounts payable and accrued liabilities	(33,413)	1,057
Total adjustments	Total adjustments	311,411	(100,826)	Total adjustments	12,040	(5,188)
Net cash provided by operating activities	Net cash provided by operating activities	567,077	135,302	Net cash provided by operating activities	81,168	76,024
Cash Flows from Investing Activities:	Cash Flows from Investing Activities:			Cash Flows from Investing Activities:		
Expenditures for property, plant and equipment	Expenditures for property, plant and equipment	(64,113)	(44,943)	Expenditures for property, plant and equipment	(18,433)	(25,504)
Cash used in business acquisitions, net of cash acquired	Cash used in business acquisitions, net of cash acquired	(20,182)	—	Cash used in business acquisitions, net of cash acquired	—	(87)
Net cash used in investing activities	Net cash used in investing activities	(84,295)	(44,943)	Net cash used in investing activities	(18,433)	(25,591)
Cash Flows from Financing Activities:	Cash Flows from Financing Activities:			Cash Flows from Financing Activities:		
Repurchases of Class A Common Stock	Repurchases of Class A Common Stock	(31,072)	(4,944)	Repurchases of Class A Common Stock	(132,045)	(18,539)
Payments of regular cash dividends	Payments of regular cash dividends	(132,484)	(125,532)	Payments of regular cash dividends	(47,192)	(44,207)
Proceeds from sale of Class A Common Stock in connection with associate stock purchase plan		3,449	3,364	Proceeds from sale of Class A Common Stock in connection with Associate Stock Purchase Plan	1,144	1,056
Proceeds from sale of Class A Common Stock in connection with Associate Stock Purchase Plan				Proceeds from sale of Class A Common Stock in connection with Associate Stock Purchase Plan		
Proceeds from exercise of Class A Common Stock options	Proceeds from exercise of Class A Common Stock options	22,635	21,540	Proceeds from exercise of Class A Common Stock options	6,852	8,336
Borrowings under credit facilities	Borrowings under credit facilities	208,000	244,000	Borrowings under credit facilities	148,000	84,000
Payments under credit facilities	Payments under credit facilities	(488,000)	(239,500)	Payments under credit facilities	(65,000)	(99,000)
Borrowings under financing obligations	Borrowings under financing obligations	1,061	1,058	Borrowings under financing obligations	1,624	1,061
Payments under Shelf Facility Agreements and Private Placement Debt		(50,000)	—	Payments under Shelf Facility Agreements and Private Placement Debt		
Other, net	Other, net	(1,676)	(1,984)	Other, net	(574)	(657)
Net cash used in financing activities	Net cash used in financing activities	(468,087)	(101,998)	Net cash used in financing activities	(87,191)	(67,950)

Effect of foreign exchange rate changes on cash and cash equivalents	Effect of foreign exchange rate changes on cash and cash equivalents	196	(50)	Effect of foreign exchange rate changes on cash and cash equivalents	209	311
Net increase (decrease) in cash and cash equivalents		14,891	(11,689)			
Net decrease in cash and cash equivalents				Net decrease in cash and cash equivalents	(24,247)	(17,206)
Cash and cash equivalents—beginning of period	Cash and cash equivalents—beginning of period	43,537	40,536	Cash and cash equivalents—beginning of period	50,052	43,537
Cash and cash equivalents—end of period	Cash and cash equivalents—end of period	\$ 58,428	\$ 28,847	Cash and cash equivalents—end of period	\$ 25,805	\$ 26,331
Supplemental Disclosure of Cash Flow Information:	Supplemental Disclosure of Cash Flow Information:			Supplemental Disclosure of Cash Flow Information:		
Cash paid for income taxes	Cash paid for income taxes	\$ 85,525	\$ 90,696	Cash paid for income taxes	\$ 5,454	\$ 2,767
Cash paid for interest	Cash paid for interest	\$ 16,970	\$ 10,009	Cash paid for interest	\$ 4,882	\$ 5,441

See accompanying Notes to Condensed Consolidated Financial Statements.

MSC INDUSTRIAL DIRECT CO., INC.

Notes to Condensed Consolidated Financial Statements **NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Dollar amounts and shares in thousands, except per share data)

(Unaudited)

Note 1. Basis of Presentation

The unaudited Condensed Consolidated Financial Statements have been prepared by the management of MSC Industrial Direct Co., Inc. (together with its wholly owned subsidiaries and entities in which it maintains a controlling financial interest, "MSC Industrial" or the "Company") and in the opinion of management include all normal recurring adjustments necessary to present fairly the Company's financial position as of **June 3, 2023** December 2, 2023 and **September 3, 2022** September 2, 2023, results of operations for the thirteen and thirty-nine weeks ended **June 3, 2023** December 2, 2023 and **May 28, 2022** December 3, 2022, and cash flows for the thirty-nine thirteen weeks ended **June 3, 2023** December 2, 2023 and **May 28, 2022** December 3, 2022. The financial information as of **September 3, 2022** September 2, 2023 was derived from the Company's audited Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the fiscal year ended **September 3, 2022** September 2, 2023.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to the rules and regulations of the SEC. The Company, however, believes that the disclosures contained in this Report comply with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), for a Quarterly Report on Form 10-Q and are adequate to make the information presented not misleading. The unaudited Condensed Consolidated Financial Statements and these Notes to Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and Notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended **September 3, 2022** September 2, 2023.

Fiscal Year

The Company operates on a 52/53-week fiscal year ending on the Saturday closest to August 31st of each year. References to "fiscal year 2024" refer to the period from **September 3, 2023** to **August 31, 2024**, which is a 52-week fiscal year. References to "fiscal year 2023" refer to the period from September 4, 2022 to September 2, 2023, which is a 52-week fiscal year. References to "fiscal year 2022" refer to the period from August 29, 2021 to September 3, 2022, which was a 53-week fiscal year. The fiscal quarters ended **June 3, 2023** December 2, 2023 and **May 28, 2022** December 3, 2022 refer to the thirteen weeks ended as of those dates.

Principles of Consolidation

The unaudited Condensed Consolidated Financial Statements include the accounts of MSC Industrial Direct Co., Inc., its wholly owned subsidiaries and entities in which it maintains a controlling financial interest. All significant intercompany balances and transactions have been eliminated in consolidation.

Impact of Economic Trends

The United States economy has experienced and continues to experience disruptions in the supply of certain products and services and tight conditions in the labor market. These disruptions and conditions have contributed to an inflationary environment which, while falling, remains elevated and has affected the price and, at times, the availability of certain products and services necessary for the Company's operations, including fuel, labor and certain products the Company sells or the inputs for such products. Such disruptions and conditions have impacted, and may continue to impact in the future, the Company's business, financial condition and results of operations.

As a result of recent high inflation and periodic supply chain disruptions, the Company continues to implement price realization strategies in response to increased costs the Company faces and has invested in improved warehouse automation to mitigate the effects of labor inflation. The category line review process initiated in the second quarter of fiscal year 2023 continues to progress and shows early signs of improvements in supply chain efficiency, customer experience and supplier engagement. Furthermore, in light of disruptions to availability and increased or uncertain shipping times, the Company is maintaining higher purchasing levels than it did prior to its fiscal year 2020 in order to ensure sufficient inventory supply to meet customer demand.

MSC INDUSTRIAL DIRECT CO., INC.
Notes to Condensed Consolidated Financial Statements
(Dollar amounts and shares in thousands, except per share data)
(Unaudited)

Recently Adopted Accounting Standards Not Yet Adopted

In November 2021, 2023, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update 2021-10, Government Assistance ("ASU") 2023-07, Segment Reporting (Topic 832) 280: Improvements to Reportable Segment Disclosures. The ASU requires disclosures to include significant segment expenses that are regularly provided to the chief operating decision maker, among other provisions. The ASU is effective for fiscal year periods beginning after December 15, 2023, including subsequent interim periods, with early adoption permitted, and requires retrospective application to all prior periods presented in the financial statements. The Company is currently evaluating the standard to determine the impact of adoption to its consolidated financial statements and disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvement to Income Tax Disclosures by Business Entities about Government Assistance, which provides for additional disclosures to enhance the transparency and added transparency for entities which receive government assistance. This includes decision usefulness of income tax disclosures. The ASU primarily enhances and expands both the income tax rate reconciliation disclosure of the type of government assistance received, the entity's method of accounting, and the impact on the entity's financial statements. This guidance income taxes paid disclosure. The ASU is effective for annual periods beginning after December 15, 2021. The guidance was adopted by the Company for fiscal year 2023 and will be applied prospectively December 15, 2024 on a prospective basis. Early adoption is permitted. The Company anticipates disclosures within is currently evaluating the standard to determine the impact of adoption to its Annual Report on Form 10-K for fiscal year 2023 related to the Employee Retention Credit (the "ERC") provision provided under the Coronavirus Aid, Relief consolidated financial statements and Economic Security Act (the "CARES Act"). disclosures.

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 have a material impact on the Company's unaudited Condensed Consolidated Financial Statements.

MSC INDUSTRIAL DIRECT CO., INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts and shares in thousands, except per share data)
(Unaudited)

Note 2. Revenue

Revenue Recognition

Net sales include product revenue and shipping and handling charges, net of estimated sales returns and any related sales incentives. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring products. All revenue is recognized when the Company satisfies its performance obligations under the contract, which is determined to occur when the customer obtains control of the products, and invoicing occurs at approximately the same point in time. The Company's product sales have standard payment terms that do not exceed one year. The Company considers shipping and handling as activities to fulfill its performance obligations. Substantially all of the Company's contracts have a single performance obligation, to deliver products, and are short-term in nature. The Company estimates product returns based on historical return rates. Total accrued sales returns were \$8,336 \$8,553 and \$7,198 \$8,632 as of June 3, 2023 December 2, 2023 and September 3, 2022 September 2, 2023, respectively, and are reported as Accrued accrued expenses and other current liabilities in the unaudited Condensed Consolidated Balance Sheets. Sales taxes and value-added taxes in foreign jurisdictions that are collected from customers and remitted to governmental authorities are accounted for on a net basis and therefore are excluded from net sales.

Consideration Payable to Customers

The Company offers customers sales incentives, which primarily consist of volume rebates, and upfront sign-on payments. These volume rebates and sign-on payments are not in exchange for a distinct good or service and result in a reduction of net sales from the goods transferred to the customer at the later of when the related revenue is recognized or when the Company promises to pay the consideration. The Company estimates its volume rebate accruals and records its sign-on payments based on various factors, including contract terms, historical experience, and performance levels. Total accrued sales incentives, primarily related to volume rebates, were **\$29,873** **\$29,105** and **\$25,274** **\$31,954** as of **June 3, 2023** **December 2, 2023** and **September 3, 2022** **September 2, 2023**, respectively, and are included in **Accrued** **accrued** expenses and other current liabilities in the unaudited Condensed Consolidated Balance Sheets. Sign-on payments, not yet recognized as a reduction of net sales, are recorded in **Prepaid** **prepaid** expenses and other current assets in the unaudited Condensed Consolidated Balance Sheets and were **\$1,753** **\$3,575** and **\$2,210** **\$3,733** as of **June 3, 2023** **December 2, 2023** and **September 3, 2022** **September 2, 2023**, respectively.

Contract Assets and Liabilities

The Company records a contract asset when it has a right to payment from a customer that is conditioned on events other than the passage of time. The Company records a contract liability when customers prepay but the Company has not yet satisfied its performance obligations. The Company did not have material contract assets or liabilities as of **June 3, 2023** **December 2, 2023** and **September 3, 2022** **September 2, 2023**.

MSC INDUSTRIAL DIRECT CO., INC.
Notes to Condensed Consolidated Financial Statements
(Dollar amounts and shares in thousands, except per share data)
(Uaudited)

Disaggregation of Revenue

The Company operates in one operating and reportable segment as a distributor of metalworking and maintenance, repair and operations products and services. The Company serves a large number of customers of various types and in diverse industries, which are subject to different economic and industry factors. The Company's presentation of net sales by customer end-market, customer type and geography most reasonably depicts how the nature, amount, timing and uncertainty of Company revenue and cash flows are affected by economic and industry factors. The Company does not disclose net sales information by product category as it is impracticable to do so as a result of its numerous product offerings and the way its business is managed.

MSC INDUSTRIAL DIRECT CO., INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts and shares in thousands, except per share data)
(Uaudited)

The following table presents the Company's percentage of revenue by customer end-market for the **thirteen- and thirty-nine-week** **thirteen-week** periods ended **June 3, 2023** **December 2, 2023** and **May 28, 2022** **December 3, 2022**:

		Thirteen Weeks Ended		Thirty-Nine Weeks Ended		Manufacturing	Thirteen Weeks Ended							
		June 3, 2023	May 28, 2022 ⁽¹⁾	June 3, 2023	May 28, 2022 ⁽¹⁾		December 2, 2023	December 3, 2022						
Manufacturing	Manufacturing					Manufacturing								
Heavy	Heavy	46	%	49	%	48	%	49	%	Heavy	47	%	48	%
Manufacturing Light	Manufacturing Light	20	%	21	%	20	%	21	%	Manufacturing Light	21	%	21	%
Public Sector	Public Sector	11	%	7	%	9	%	7	%	Public Sector	9	%	8	%
Retail/Wholesale	Retail/Wholesale	7	%	7	%	7	%	8	%	Retail/Wholesale	8	%	7	%
Commercial	Commercial									Commercial				
Services	Services	4	%	4	%	4	%	4	%	Services	4	%	4	%
Other ^{(2) (1)}	Other ^{(2) (1)}	12	%	12	%	12	%	11	%	Other ^{(2) (1)}	11	%	12	%
Total	Total	100	%	100	%	100	%	100	%	Total	100	%	100	%

⁽¹⁾ Includes the effect of a prior year period reclassification of end-markets in fiscal year 2022.

⁽²⁾ The Other category **primarily** includes individual customer and small business net sales not assigned to a specific industry classification.

The Company groups customers into three categories by type of customer: national account, public sector and core and other. National account customers are Fortune 1000 companies, large privately held companies, and international companies primarily doing business in North America. Public sector customers are governments and their instrumentalities such as federal agencies, state governments, and public sector healthcare providers. Federal government customers include

the United States Marine Corps, the United States Coast Guard, the United States Postal Service, the United States General Services Administration, the United States Department of Defense, the United States Department of Energy, large and small military bases, Veterans Affairs hospitals, and correctional facilities. The Company has individual state and local contracts, as well as contracts through partnerships with several state co-operatives. Core and other customers are those customers that are not national account customers or public sector customers.

The following table presents the Company's percentage of revenue by customer type for the thirteen- and thirty-nine-week periods ended **June 3, 2023**, **December 2, 2023** and **May 28, 2022** **December 3, 2022**:

	National Account Customers	Thirteen Weeks Ended		Thirty-Nine Weeks Ended		Thirteen Weeks Ended	
		June 3, 2023	May 28, 2022	June 3, 2023	May 28, 2022	December 2, 2023	December 3, 2022
National Account Customers	National Account Customers	37 %	38 %	38 %	38 %	39 %	38 %
Public Sector Customers	Public Sector Customers	11 %	7 %	9 %	7 %	9 %	8 %
Core and Other Customers	Core and Other Customers	52 %	55 %	53 %	55 %	52 %	54 %
Total	Total	100 %	100 %	100 %	100 %	100 %	100 %

The Company's revenue originating from the following geographic areas was as follows for the thirteen-week periods ended December 2, 2023 and December 3, 2022:

		Thirteen Weeks Ended	
		December 2, 2023	December 3, 2022
United States		95 %	95 %
Mexico		2 %	2 %
Canada		2 %	2 %
North America		99 %	99 %
Other foreign countries		1 %	1 %
Total		100 %	100 %

MSC INDUSTRIAL DIRECT CO., INC.

Notes to Condensed Consolidated Financial Statements **NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Dollar amounts and shares in thousands, except per share data)
(Unaudited)

The Company's revenue originating from the following geographic areas were as follows for the thirteen- and thirty-nine-week periods ended June 3, 2023 and May 28, 2022:

		Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
		June 3, 2023	May 28, 2022	June 3, 2023	May 28, 2022
United States		95 %	95 %	95 %	95 %
Mexico		2 %	2 %	2 %	2 %
Canada		2 %	1 %	2 %	1 %
North America		99 %	98 %	99 %	98 %
Other foreign countries		1 %	2 %	1 %	2 %
Total		100 %	100 %	100 %	100 %

Note 3. Net Income per Share

Net Basic net income per share is computed by dividing net income by the weighted-average number of shares of the Company's Class A Common Stock, par value \$0.001 per share ("Class A Common Stock"), and the Company's Class B Common Stock, par value \$0.001 per share ("Class B Common Stock" and, together

with Class A Common Stock, "Common Stock"), outstanding during the period. Diluted net income per share is computed by dividing net income by the weighted-average number of shares of Common Stock outstanding during the period, including potentially dilutive shares of Common Stock equivalents outstanding during the period. The dilutive effect of potential shares of Common Stock is determined using the treasury stock method. The following table sets forth the computation of basic and diluted net income per common share under the treasury stock method for the thirteen- and thirty-nine-week thirteen-week periods ended **June 3, 2023** **December 2, 2023** and **May 28, 2022**, **December 3, 2022**:

		Thirteen Weeks Ended		Thirty-Nine Weeks Ended		Thirteen Weeks Ended	
		June 3, 2023	May 28, 2022	June 3, 2023	May 28, 2022	December 2, 2023	December 3, 2022
		Numerator:	Numerator:	Numerator:	Numerator:	Numerator:	Numerator:
Net income attributable to MSC Industrial as reported	Net income attributable to MSC Industrial as reported	\$ 95,180	\$ 99,657	\$ 255,634	\$ 235,655	\$ 69,350	\$ 81,314
Denominator:	Denominator:					Denominator:	Denominator:
Weighted- average shares outstanding for basic net income per share	Weighted- average shares outstanding for basic net income per share	55,963	55,914	55,911	55,748	56,429	55,891
Effect of dilutive securities	Effect of dilutive securities	193	192	210	271	294	190
Weighted- average shares outstanding for diluted net income per share	Weighted- average shares outstanding for diluted net income per share	56,156	56,106	56,121	56,019	56,723	56,081
Net income per share:	Net income per share:					Net income per share:	Net income per share:
Basic	Basic	\$ 1.70	\$ 1.78	\$ 4.57	\$ 4.23	\$ 1.23	\$ 1.45
Diluted	Diluted	\$ 1.69	\$ 1.78	\$ 4.56	\$ 4.21	\$ 1.22	\$ 1.45
Potentially dilutive securities	Potentially dilutive securities	—	330	204	363	—	499

Potentially dilutive securities attributable to outstanding stock options and restricted stock units share-based awards are excluded from the calculation of diluted net income per share when the combined exercise price and average unamortized fair value are greater than the average market price of Class A Common Stock, and, therefore, their inclusion would be anti-dilutive.

MSC INDUSTRIAL DIRECT CO., INC.
Notes to Condensed Consolidated Financial Statements
(Dollar amounts and shares in thousands, except per share data)
(U unaudited)

Note 4. Stock-Based Compensation

The Company accounts for all stock-based payments in accordance with Accounting Standards Codification Topic 718, "Compensation—Stock Compensation," as amended. Stock-based compensation expense, net included in Operating expenses for the thirteen- and thirty-nine-week thirteen-week periods ended **June 3, 2023** **December 2, 2023** and **May 28, 2022** **December 3, 2022** was as follows:

		Thirteen Weeks Ended		Thirty-Nine Weeks Ended		Thirteen Weeks Ended	
		June 3, 2023	May 28, 2022	June 3, 2023	May 28, 2022	December 2, 2023	December 3, 2022
		Stock options	Stock options	Stock options	Stock options	Stock options	Stock options
Stock options	Stock options	\$ —	\$ 214	\$ 101	\$ 1,019	\$ —	\$ 101

Restricted stock units (1)	Restricted stock units (1)	3,827	3,212	11,495	11,221	Restricted stock units (1)	4,275	3,711
Performance share units (1)	Performance share units (1)	760	873	2,800	2,070	Performance share units (1)	821	1,095
Associate Stock Purchase Plan	Associate Stock Purchase Plan	68	71	228	249	Purchase Plan	105	83
Total	Total	4,655	4,370	14,624	14,559	Total	5,201	4,990
Deferred income tax benefit	Deferred income tax benefit	(1,150)	(1,120)	(3,641)	(3,596)	Deferred income tax benefit	(1,264)	(1,233)
Stock-based compensation expense, net	Stock-based compensation expense, net	\$ 3,505	\$ 3,250	\$ 10,983	\$ 10,963	Stock-based compensation expense, net	\$ 3,937	\$ 3,757

(1) Includes equity award acceleration costs associated with associate severance and separation.

MSC INDUSTRIAL DIRECT CO., INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts and shares in thousands, except per share data)
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Stock Options

The Company discontinued its grants of stock options in fiscal year 2020. The fair value of each option grant in previous fiscal years was estimated on the date of grant using the Black-Scholes option pricing model.

A summary of the Company's stock option activity for the thirty-nine-week thirteen-week period ended June 3, 2023 December 2, 2023 is as follows:

	Weighted-Average				Weighted-Average				
	Weighted-Average	Average	Remaining	Exercise	Contractual	Aggregate	Weighted-Average	Average	Remaining
	Average	Remaining	Exercise	Contractual	Aggregate	Weighted-Average	Average	Remaining	
	Price per Options	Term (in Share years)	Intrinsic Value	Price per Options	Term (in Share years)	Intrinsic Value	Price per Options	Term (in Share years)	Intrinsic Value
							Shares	Share	Value
Outstanding on September 3, 2022		614	\$ 78.96						
Outstanding on September 2, 2023							Outstanding on September 2, 2023		
Granted	Granted	—	—				Granted	—	—
Exercised	Exercised	(296)	76.37				Exercised	(86)	79.96
Canceled/Forfeited/Expired	Canceled/Forfeited/Expired	(25)	80.40				Canceled/Forfeited/Expired	—	—
Outstanding on June 3, 2023		293	\$ 81.46	1.8	\$ 3,535				
Exercisable on June 3, 2023		293	\$ 81.46	1.8	\$ 3,535				
Outstanding on December 2, 2023							Outstanding on December 2, 2023		
Exercisable on December 2, 2023							132	\$ 82.67	1.7 \$ 2,141

The aggregate intrinsic value of options exercised, which represents the difference between the exercise price and the market value of Class A Common Stock measured at each individual exercise date, during the thirty-nine-week thirteen-week periods ended June 3, 2023 December 2, 2023 and May 28, 2022 December 3, 2022 was \$3,044 \$1,499 and \$4,771, \$970, respectively. There were no unrecognized stock-based compensation costs related to stock options at June 3, 2023 December 2, 2023.

Performance Share Units

In fiscal year 2020, the Company began granting performance share units ("PSUs") as part of its long-term stock-based compensation program. PSUs cliff vest after a three year three-year performance period based on the achievement of specific performance goals as set forth in the applicable award agreement. Based on the

extent to which the performance goals are achieved, vested shares may range from 0% to 200% of the target award amount.

MSC INDUSTRIAL DIRECT CO., INC.
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(Uaudited)

The following table summarizes all transactions related to PSUs under the MSC Industrial Direct Co., Inc. 2015 Omnibus Incentive Plan (the "2015 Omnibus Incentive Plan") and the MSC Industrial Direct Co., Inc. 2023 Omnibus Incentive Plan (the "2023 Omnibus Incentive Plan") (based on target award amounts) for the thirty-nine-week thirteen-week period ended **June 3, 2023** December 2, 2023:

		Weighted-Average Grant		Weighted-Average Grant	
		Shares	Date Fair Value	Shares	Date Fair Value
Non-vested PSUs at September 3, 2022		88	\$ 80.04		
Non-vested PSUs at September 2, 2023				Non-vested PSUs at September 2, 2023	
Granted	Granted	51	82.16	Granted	45
PSU adjustment ⁽¹⁾	PSU adjustment ⁽¹⁾	4	76.32	PSU adjustment ⁽¹⁾	23
Vested	Vested	(26)	76.32	Vested	(46)
Canceled/Forfeited	Canceled/Forfeited	(3)	82.95	Canceled/Forfeited	(1)
Non-vested PSUs at June 3, 2023 ⁽²⁾		114	\$ 81.83		
Non-vested PSUs at December 2, 2023 ⁽²⁾				Non-vested PSUs at December 2, 2023 ⁽²⁾	
				133	\$ 88.37

⁽¹⁾ PSU adjustment represents the net PSUs awarded above or below their target grants resulting from the achievement of performance goals above or below the performance targets established at grant. One grant goal was achieved at 116% 200% of its target based on fiscal year 2020 2021 through fiscal year 2022 2023 financial results.

⁽²⁾ Excludes approximately 115 shares of accrued incremental dividend equivalent rights on outstanding PSUs granted under the 2015 Omnibus Incentive Plan and the 2023 Omnibus Incentive Plan.

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The fair value of each PSU is the closing stock price on the New York Stock Exchange (the "NYSE") of Class A Common Stock on the date of grant. PSUs are expensed over the three year three-year performance period of each respective grant. Forfeitures of share-based awards are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Company uses historical data to estimate pre-vesting PSU forfeitures and records stock-based compensation expense only for PSU awards that are expected to vest. Upon vesting, subject to the achievement of specific performance goals, a portion of the PSU award may be withheld to satisfy the statutory income tax withholding obligation, and the remaining PSUs will be settled in shares of Class A Common Stock. These awards accrue dividend equivalents on the underlying PSUs (in the form of additional stock units) based on dividends declared on Class A Common Stock, and these dividend equivalents are paid to the award recipient in the form of unrestricted shares of Class A Common Stock on the vesting dates of the underlying PSUs, subject to the same performance vesting requirements. The unrecognized stock-based compensation costs related to the PSUs at **June 3, 2023** December 2, 2023 were \$5,314, \$7,201, which are expected to be recognized over a weighted-average period of 1.72.0 years.

Restricted Stock Units

A summary of the Company's non-vested restricted stock unit ("RSU") award activity under the 2015 Omnibus Incentive Plan and the 2023 Omnibus Incentive Plan for the thirty-nine-week thirteen-week period ended **June 3, 2023** December 2, 2023 is as follows:

		Weighted-Average Grant		Weighted-Average Grant	
		Shares	Date Fair Value	Shares	Date Fair Value
Non-vested RSUs at September 3, 2022		448	\$ 79.71		
Non-vested RSUs at September 2, 2023				Non-vested RSUs at September 2, 2023	
Granted	Granted	215	82.23	Granted	162
Vested	Vested	(164)	79.38	Vested	(155)
				79.97	

Canceled/Forfeited	Canceled/Forfeited	(16)	81.09	Canceled/Forfeited	(5)	84.78
Non-vested RSUs at June 3, 2023 ⁽¹⁾		483	\$ 80.89			
Non-vested RSUs at December 2, 2023 ⁽¹⁾				Non-vested RSUs at December 2, 2023 ⁽¹⁾	469	\$ 87.07

⁽¹⁾ Excludes approximately 46,277 shares of accrued incremental dividend equivalent rights on outstanding RSUs granted under the 2015 Omnibus Incentive Plan and the 2023 Omnibus Incentive Plan.

The fair value of each RSU is the closing stock price on the NYSE of Class A Common Stock on the date of grant. RSUs are expensed over the vesting period of each respective grant. Forfeitures of share-based awards are estimated at the

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time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Company uses historical data to estimate pre-vesting RSU forfeitures and records stock-based compensation expense only for RSU awards that are expected to vest. Upon vesting, a portion of the RSU award may be withheld to satisfy the statutory income tax withholding obligation, and the remaining RSUs will be settled in shares of Class A Common Stock. These awards accrue dividend equivalents on the underlying RSUs (in the form of additional stock units) based on dividends declared on Class A Common Stock, and these dividend equivalents are paid to the award recipient in the form of unrestricted shares of Class A Common Stock on the vesting dates of the underlying RSUs. The unrecognized stock-based compensation costs related to the RSUs at June 3, 2023 December 2, 2023 were \$28,687, \$35,800, which are expected to be recognized over a weighted-average period of 2.63.1 years.

Note 5. Fair Value

Fair value accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The below fair value hierarchy prioritizes the inputs used to measure fair value into three levels, with Level 1 being of the highest priority. The three levels of inputs used to measure fair value are as follows:

- Level 1**— Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2**— Include other inputs that are directly or indirectly observable in the marketplace.
- Level 3**— Unobservable inputs which are supported by little or no market activity.

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The Company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable and outstanding indebtedness. Cash and cash equivalents include investments in a money market fund which are reported at fair value. The fair value of money market funds is determined using quoted prices for identical investments in active markets, which are considered to be Level 1 inputs within 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 reported carrying amounts of the Company's financial instruments approximated their fair values as of June 3, 2023 December 2, 2023 and May 28, 2022 December 3, 2022.

During the thirteen- and thirty-nine-week thirteen-week periods ended June 3, 2023 December 2, 2023 and May 28, 2022 December 3, 2022, the Company had no material remeasurements of non-financial assets or liabilities at fair value on a non-recurring basis subsequent to their initial recognition.

Note 6. Accounts Receivable

Accounts receivables at June 3, 2023 December 2, 2023 and September 3, 2022 September 2, 2023 consisted of the following:

Accounts receivable	Accounts receivable	June 3, 2023	September 3, 2022	Accounts receivable	December 2, 2023	September 2, 2023
		\$ 460,523	\$ 708,379		\$ 434,551	\$ 458,168

Less: allowance for credit losses	Less: allowance for credit losses	21,968	20,771	Less: allowance for credit losses	20,271	22,747
Accounts receivable, net	Accounts receivable, net	\$ 438,555	\$ 687,608	Accounts receivable, net	\$ 414,280	\$ 435,421

On December 19, 2022, In fiscal year 2023, the Company entered into a Receivables Purchase Agreement (the "RPA"), by and among MSC A/R Holding Co., LLC, a wholly owned subsidiary of the Company (the "Receivables Subsidiary"), as seller, the Company, as master servicer, certain purchasers from time to time party thereto (collectively, the "Purchasers"), and Wells Fargo Bank, National Association, as administrative agent (the "Agent"). The RPA matures on December 19, 2025 and is subject to customary termination events related to transactions of this type. Additionally, the Receivables Subsidiary also entered into a Receivables Sale Agreement, dated as of December 19, 2022, by and between the Receivables Subsidiary, as buyer, and Sid Tool Co., Inc., a wholly owned subsidiary of the Company, as originator.

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agent. Under the RPA, the Receivables Subsidiary may sell receivables to the Purchasers in amounts up to \$300,000. The receivables will be sold to the Purchasers in consideration for the Purchasers making payments second quarter of cash, which is referred to as "capital" for purposes of the RPA, to the Receivables Subsidiary in accordance with the terms of the RPA. The Receivables Subsidiary may sell receivables to the Purchasers so long as certain conditions are satisfied, including that, at any date of determination, the aggregate capital paid to the Receivables Subsidiary does not exceed a "capital coverage amount," equal to an adjusted net receivables pool balance minus a required reserve. Each Purchaser's share of capital accrues yield at one-month Term SOFR (as defined in the RPA) plus a margin.

The parties intend that the conveyance of receivables to the Agent, for the ratable benefit of the Purchasers, will constitute a purchase and sale of receivables and not a pledge for security. The Receivables Subsidiary has guaranteed to each Purchaser and the Agent the prompt payment of sold receivables, and, to secure the prompt payment and performance of such guaranteed obligations, the Receivables Subsidiary has granted a security interest to the Agent, for the benefit of the Purchasers, in all assets of the Receivables Subsidiary. The assets of the Receivables Subsidiary are not available to pay the Company's creditors or any affiliate thereof. In the capacity as master servicer under the RPA, the Company is responsible for administering and collecting receivables and has made customary representations, warranties, covenants and indemnities.

The proceeds of the RPA are classified as operating activities in the Condensed Consolidated Statement of Cash Flows for the thirty-nine weeks ended June 3, 2023 and were used to pay down balances on the Amended Revolving Credit Facility (as defined below). Cash received from collections of sold receivables is used by the Receivables Subsidiary to fund additional purchases of receivables on a revolving basis or to return all or any portion of outstanding capital of the Purchasers. Subsequent collections on the pledged receivables, which have not been sold, will be classified as operating cash flows at the time of collection.

As of June 3, 2023, fiscal year 2023, the amount sold to the Purchasers was \$300,000 which was derecognized from the Condensed Consolidated Balance Sheet as of that date. The RPA matures on December 19, 2025 and is subject to customary termination events related to transactions of this type.

The Company continues to be involved with the receivables sold to the Purchasers by providing collection services. As collateral against cash is collected on sold receivables, the Receivables Subsidiary maintains a certain level continuously sells new qualifying receivables to the Purchasers so that the total principal amount outstanding of unsold receivables which sold is approximately \$300,000. The total principal amount outstanding of receivables sold was \$350,562 approximately \$300,000 as of June 3, 2023 December 2, 2023 and September 2, 2023. The amount of receivables pledged as collateral as of December 2, 2023 and September 2, 2023 was \$337,126 and \$352,385, respectively.

Total cumulative receivables sold under the RPA were \$817,398 as of June 3, 2023. Total cumulative cash collections under the RPA were \$517,398 as of June 3, 2023. The fair value of the sold receivables approximated book value due to their credit quality thirteen-week periods ended December 2, 2023 and short-term nature, and, as a result, no gain or loss on sale of receivables was recorded. December 3, 2022:

	Thirteen Weeks Ended		
	December 2,		December 3,
	2023	2022	
Receivables sold under the RPA	\$ 312,980	\$ —	
Cash collected on sold receivables under the RPA	\$ 312,980	\$ —	

The receivables sold incurred fees due to the Purchasers of \$4,317 \$4,611 and \$7,640 for \$0 during the thirteen thirteen-week periods ended December 2, 2023 and thirty-nine weeks ended June 3, 2023 December 3, 2022, respectively, which were recorded within Other (expense) income, expense, net in the Condensed Consolidated Statements of Income. The financial covenants under the RPA are substantially the same as those under the Credit Facilities, the Private Placement Debt and the Shelf Facility Agreements (each, as defined below). See Note 8, 7, "Debt" for more information about these financial covenants.

Note 7. Business Combinations

During the thirteen weeks ended June 3, 2023, the Company finalized a post-closing working capital adjustment related to the second quarter fiscal year 2023 acquisition of Buckeye Industrial Supply Co. ("Buckeye") and Tru-Edge Grinding, Inc. ("Tru-Edge"), which resulted in \$351 of cash paid to the Company by the sellers of Buckeye and Tru-Edge.

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Note 8, 7. Debt

Debt at June 3, 2023 December 2, 2023 and September 3, 2022 September 2, 2023 consisted of the following:

		June 3, 2023	September 3, 2022		December 2, 2023		September 2, 2023
Amended Revolving Credit Facility	Amended Revolving Credit Facility	\$ —	\$ 245,000	Amended Revolving Credit Facility	\$ 120,000	\$ 50,000	
Uncommitted Credit Facilities	Uncommitted Credit Facilities	165,000	200,000	Uncommitted Credit Facilities	193,000	180,000	
Long-Term Note Payable	Long-Term Note Payable	4,750	4,750	Long-Term Note Payable	4,750	4,750	
Private Placement Debt:	Private Placement Debt:			Private Placement Debt:			
2.65% Senior Notes, Series A, due July 28, 2023		75,000	75,000				
2.90% Senior Notes, Series B, due July 28, 2026	2.90% Senior Notes, Series B, due July 28, 2026	100,000	100,000	2.90% Senior Notes, Series B, due July 28, 2026	100,000	100,000	
3.79% Senior Notes, due June 11, 2025	3.79% Senior Notes, due June 11, 2025	20,000	20,000	3.79% Senior Notes, due June 11, 2025	20,000	20,000	
2.60% Senior Notes, due March 5, 2027	2.60% Senior Notes, due March 5, 2027	50,000	50,000	2.60% Senior Notes, due March 5, 2027	50,000	50,000	
3.04% Senior Notes, due January 12, 2023 ⁽¹⁾		—	50,000				
2.40% Series 2019A Notes, due March 5, 2024 ⁽¹⁾	2.40% Series 2019A Notes, due March 5, 2024 ⁽¹⁾	50,000	50,000	2.40% Series 2019A Notes, due March 5, 2024 ⁽¹⁾	50,000	50,000	
Financing arrangements	Financing arrangements	265	88	Financing arrangements	1,336	127	
Obligations under finance leases	Obligations under finance leases	402	1,180	Obligations under finance leases	329	475	
Less: unamortized debt issuance costs	Less: unamortized debt issuance costs	(1,119)	(1,426)	Less: unamortized debt issuance costs	(937)	(1,026)	

Total debt, including obligations under finance leases	Total debt, including obligations under finance leases	\$ 464,298	\$ 794,592	Total debt, including obligations under finance leases	\$ 538,478	\$ 454,326
Less: current portion	Less: current portion	(290,281)	(325,680)	Less: current portion	(244,048)	(229,935)
Total long-term debt, including obligations under finance leases	Total long-term debt, including obligations under finance leases	\$ 174,017	\$ 468,912	Total long-term debt, including obligations under finance leases	\$ 294,430	\$ 224,391

(1) Represents private placement debt issued under the Shelf Facility Agreements.

(2) Consists of \$165,000 \$193,000 from the Uncommitted Credit Facilities (as defined below), \$50,000 from the 2.40% Series 2019A Notes, due March 5, 2024, \$75,000 from the 2.65% Senior Notes, Series A, due July 28, 2023, \$265 \$1,261 from financing arrangements, \$376 \$135 from obligations under finance leases and net of unamortized debt issuance costs of \$360 \$348 expected to be amortized in the next 12 months.

(3) Consists of \$200,000 \$180,000 from the Uncommitted Credit Facilities, \$50,000 from the 3.04% Senior 2.40% Series 2019A Notes, due January 12, 2023 March 5, 2024, \$75,000 from the 2.65% Senior Notes, Series A, due July 28, 2023, \$88 \$37 from financing arrangements, \$996 \$249 from obligations under finance leases and net of unamortized debt issuance costs of \$404 \$351 expected to be amortized in the next 12 months.

Amended Revolving Credit Facility

In April 2017, the Company entered into a \$600,000 revolving credit facility, which was subsequently amended and extended in August 2021 (as amended and extended, the "Amended Revolving Credit Facility"). The Amended Revolving Credit Facility, which matures on August 24, 2026, provides for a five year five-year unsecured revolving loan facility on a committed basis. The interest rate for borrowings under the Amended Revolving Credit Facility is based on either the Adjusted Term SOFR Rate (as defined in the Amended Revolving Credit Facility) or a base rate, plus a spread based on the Company's consolidated leverage ratio at the end of each fiscal reporting quarter. Depending on the interest period the Company selects, interest may be payable every one, two or three months. Interest is reset at the end of each interest period. The Company currently elects to have loans under the Amended Revolving Credit Facility bear interest based on the Adjusted Term SOFR Rate with one-month interest periods.

The Amended Revolving Credit Facility permits up to \$50,000 to be used to fund letters of credit. The Amended Revolving Credit Facility also permits the Company to request one or more incremental term loan facilities and/or to increase the revolving loan commitments in an aggregate amount not to exceed \$300,000. Subject to certain limitations, each such incremental term loan facility or revolving loan commitment increase will be on terms as agreed to by the Company, the administrative agent and the lenders providing such financing. Outstanding letters of credit were \$5,269 at both June 3, 2023 December 2, 2023 and September 3, 2022 September 2, 2023.

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Uncommitted Credit Facilities

During fiscal year 2023, the Company extended all three of its uncommitted credit facilities. These facilities (collectively, the "Uncommitted Credit Facilities" and, together with the Amended Revolving Credit Facility, the "Credit Facilities") total \$203,000 in aggregate maximum uncommitted availability, under which \$165,000 \$193,000 and \$200,000 \$180,000 were

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outstanding at June 3, 2023 December 2, 2023 and September 3, 2022 September 2, 2023, respectively, and are included in the Current current portion of debt including obligations under finance leases on in the Company's unaudited Condensed Consolidated Balance Sheets. The interest rate on the Uncommitted Credit Facilities is based on the Secured Overnight Financing Rate. Borrowings under the Uncommitted Credit Facilities are due at the end of the applicable interest period, which is typically one month but may be up to six months and may be rolled over to a new interest period at the option of the applicable lender. The Company's lenders have, in the past, been willing to roll over the principal amount outstanding under the Uncommitted Credit Facilities at the end of each interest period but may not do so

in the future. Each Uncommitted Credit Facility matures within one year of entering into such Uncommitted Credit Facility and contains certain limited covenants which are substantially the same as the limited covenants contained in the Amended Revolving Credit Facility. All of the Uncommitted Credit Facilities are unsecured and rank equally in right of payment with the Company's other unsecured indebtedness.

Because the interest rates on the Uncommitted Credit Facilities have recently been lower than the interest rates which are available on the Company's other sources of financing, the Company has used, and intends to use in the future, the Uncommitted Credit Facilities for opportunistic refinancing of the Company's existing indebtedness. The Company does not presently view the Uncommitted Credit Facilities as sources of incremental debt financing of the Company due to the uncommitted nature of the Uncommitted Credit Facilities, but reserves the right to use the Uncommitted Credit Facilities to incur additional debt where it considers it appropriate under the then-existing credit market conditions.

During the thirty-nine-week thirteen-week period ended June 3, 2023 December 2, 2023, the Company borrowed an aggregate \$208,000 \$148,000 and repaid an aggregate \$488,000 \$65,000 under the Credit Facilities. As of June 3, 2023 December 2, 2023 and September 3, 2022 September 2, 2023, the weighted-average interest rates on borrowings under the Credit Facilities were 5.84% 6.25% and 3.42% 6.17%, respectively.

Private Placement Debt

In July 2016, the Company completed the issuance and sale of \$75,000 aggregate principal amount of 2.65% Senior Notes, Series A, due July 28, 2023, and \$100,000 aggregate principal amount of 2.90% Senior Notes, Series B, due July 28, 2026; in June 2018, the Company completed the issuance and sale of \$20,000 aggregate principal amount of 3.79% Senior Notes, due June 11, 2025; and, in March 2020, the Company completed the issuance and sale of \$50,000 aggregate principal amount of 2.60% Senior Notes, due March 5, 2027 (collectively, the "Private Placement Debt"). Interest is payable semiannually at the fixed stated interest rates. All of the Private Placement Debt is unsecured.

Shelf Facility Agreements

In January 2018, the Company entered into Note Purchase and Private Shelf Agreements with MetLife Investment Advisors, LLC (the "MetLife Note Purchase Agreement") and PGIM, Inc. (the "Prudential Note Purchase Agreement" and, together with the MetLife Note Purchase Agreement, the "Shelf Facility Agreements"). Each of the MetLife Note Purchase Agreement and the Prudential Note Purchase Agreement provides for an uncommitted facility for the issuance and sale of up to an aggregate total of \$250,000 of unsecured senior notes, at a fixed rate. As of June 3, 2023 December 2, 2023, \$50,000 aggregate principal amount of 2.40% Series 2019A Notes, due March 5, 2024, was outstanding under notes issued in private placements pursuant to the Shelf Facility Agreements.

In January 2023, the Company paid \$50,000 to satisfy its obligation on the 3.04% Senior Notes, due January 12, 2023, associated with the Prudential Note Purchase Agreement.

Covenants

Each of the Credit Facilities, the Private Placement Debt and the Shelf Facility Agreements imposes several restrictive covenants, including the requirement that the Company maintain (i) a maximum consolidated leverage ratio of total indebtedness to EBITDA (earnings before interest expense, taxes, depreciation, amortization and stock-based

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compensation) of no more than 3.00 to 1.00 (or, at the election of the Company after it consummates a material acquisition, a four-quarter temporary increase to 3.50 to 1.00) and (ii) a minimum consolidated interest coverage ratio of EBITDA to total interest expense of at least 3.00 to 1.00, during the terms of the Credit Facilities, the Private Placement Debt and the Shelf Facility Agreements. covenants. As of June 3, 2023 December 2, 2023, the Company was in compliance with the operating and financial covenants of the Credit Facilities, the Private Placement Debt and the Shelf Facility Agreements.

Note 9.8. Shareholders' Equity

Common Stock Repurchases and Treasury Stock

On June 29, 2021, In June 2021, the Board of Directors of the Company (the "Board") terminated the MSC Stock Repurchase Plan, which was established during fiscal year 1999, existing share repurchase plan and authorized a new share repurchase program plan (the "Share Repurchase Program" Plan) to purchase up to 5,000 shares of Class A Common Stock. There is no expiration date for the Share Repurchase Program Plan. As of June 3, 2023 December 2, 2023, the maximum number of shares of Class A Common Stock that may yet be repurchased under the Share Repurchase Program Plan was 4,369 2,443 shares. The Share Repurchase Program Plan allows the Company to repurchase shares at any time and in any increments it deems appropriate in accordance with Rule 10b-18 under the Exchange Act.

During the thirteen- and thirty-nine-week periods thirteen-week period ended **June 3, 2023** December 2, 2023, the Company repurchased one share and 386 1,367 shares respectively, of Class A Common Stock for \$65 and \$31,072, respectively \$132,045. From these totals, 331 this total, 87 shares were immediately repurchased by the Company to satisfy the Company's associates' tax withholding liability associated with its stock-based compensation program and are reflected at cost as

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treasury stock in the unaudited Condensed Consolidated Financial Statements for the thirty-nine-week thirteen-week period ended **June 3, 2023** December 2, 2023 and one share and 55 the remainder were immediately retired. During the thirteen-week period ended December 3, 2022, the Company repurchased 233 shares of Class A Common Stock for \$18,539. From this total, 52 shares were repurchased by the Company to satisfy the Company's associates' tax withholding liability associated with its stock-based compensation program and are reflected at cost as treasury stock in the unaudited Condensed Consolidated Financial Statements for the thirteen-thirteen-week period ended December 3, 2022 and thirty-nine-week periods ended June 3, 2023, respectively. During the thirteen- and thirty-nine-week periods ended May 28, 2022, the Company repurchased two shares and 59 shares, respectively, of Class A Common Stock for \$131 and \$4,944, respectively. All of these shares remainder were repurchased by the Company to satisfy the Company's associates' tax withholding liability associated with its stock-based compensation program and are reflected at cost as treasury stock in the unaudited Condensed Consolidated Financial Statements for the thirteen- and thirty-nine-week periods ended May 28, 2022, immediately retired.

The Company reissued 14 13 shares and 45 14 shares of treasury stock during the thirteen- and thirty-nine-week thirteen-week periods ended June 3, 2023, respectively, December 2, 2023 and reissued 15 shares and 45 shares of treasury stock during the thirteen- and thirty-nine-week periods ended May 28, 2022 December 3, 2022, respectively, to fund the MSC Industrial Direct Co., Inc. Amended and Restated Associate Stock Purchase Plan.

Dividends on Common Stock

The Company paid aggregate regular cash dividends of \$2.37 \$0.83 per share totaling \$132,484 \$47,192 for the thirty-nine thirteen weeks ended June 3, 2023 December 2, 2023. For the thirty-nine thirteen weeks ended May 28, 2022 December 3, 2022, the Company paid aggregate regular cash dividends of \$2.25 \$0.79 per share totaling \$125,532 \$44,207.

On **June 21, 2023** December 15, 2023, the Board declared a regular cash dividend of \$0.79 \$0.83 per share, payable on **July 25, 2023** January 23, 2024, to shareholders of record at the close of business on **July 11, 2023** January 9, 2024. The dividend is expected to result in aggregate payments of \$44,281 \$46,812, based on the number of shares outstanding at **June 15, 2023** December 20, 2023.

Reclassification Proposal

On January 31, 2023, In October 2023, the Board received a proposal Company completed its previously announced reclassification (the "Proposal" "Reclassification") from of the Company's controlling shareholders, the Jacobson/Gershwind family, to exchange each of their shares of Class B Common Stock for shares of Class A Common Stock, reclassify to eliminate the Class B Common Stock, and effective at the Class A Common Stock into a single class time that the Company's Restated Certificate of common stock and eliminate the current dual-class share structure (the "Reclassification"). The Board formed a Special Committee composed entirely of independent and disinterested directors to evaluate the Proposal, which Incorporation was advised by independent financial and legal advisors.

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On June 21, 2023, the Company announced that it had reached an agreement duly filed with the Jacobson/Gershwind family with respect to Secretary of State of the Reclassification, in support State of which, the Company entered into a New York (the "Effective Time"), as contemplated by that certain Reclassification Agreement, dated as of June 20, 2023 (the "Reclassification Agreement"), with the holders Mitchell Jacobson, Erik Gershwind, other members of the Class B Common Stock listed therein.

The Reclassification Agreement provides that, following Jacobson / Gershwind family and certain entities affiliated with the satisfaction of Jacobson / Gershwind family (collectively, the conditions "Jacobson / Gershwind Family Shareholders"). Pursuant to closing set forth in the Reclassification, Agreement, the Company will amend and restate its Certificate of Incorporation (the "A&R Charter"). Upon the A&R Charter being duly filed with the New York Secretary of State (the "Effective Time"), among other things, each share of Class B Common Stock issued and outstanding immediately prior to the Effective Time will be was reclassified, exchanged

for and converted into 1.225 shares of Class A Common Stock. The issuance of Class A&R Charter also Common Stock in connection with the Reclassification was registered under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to the Company's Registration Statement on Form S-4 (File No. 333-273418).

As contemplated by the Reclassification Agreement, a number of corporate governance changes were implemented, including the following:

- the Jacobson / Gershwind Family Shareholders have the right to designate (i) two individuals (one of whom will change be Mr. Erik Gershwind so long as he is the voting standard relating Company's Chief Executive Officer) for nomination for election to (i) the Board so long as the Jacobson / Gershwind Family Shareholders own 10% or more of the issued and outstanding shares of Class A Common Stock and (ii) one individual for nomination for election to the Board so long as the Jacobson / Gershwind Family Shareholders own less than 10% but more than 5% of the issued and outstanding shares of Class A Common Stock;
- the Jacobson / Gershwind Family Shareholders have each granted an irrevocable proxy authorizing the Company to vote such pro rata portion of shares of Class A Common Stock beneficially owned by the Jacobson / Gershwind Family Shareholders or their permitted transferees in excess of 15% of the issued and outstanding shares of Class A Common Stock in proportion to the votes of other holders (i.e., excluding any Jacobson / Gershwind Family Shareholders and their permitted transferees) entitled to vote and that do in fact vote;
- certain standstill and lock-up provisions for the Jacobson / Gershwind Family Shareholders;
- the transition of the approval of standard for certain significant transactions (including mergers, asset sales, share exchanges dissolution and certain other significant transactions dissolution) from a standard of two-thirds of the votes of all outstanding shares entitled supermajority to vote thereon to a majority of the votes of all outstanding shares entitled to vote thereon (the "Voting Standard Amendment") and (ii) the election of directors in uncontested elections from the current plurality of the votes cast standard to a majority of the votes cast standard. Under the A&R Charter, contested elections of directors will be determined by a plurality of the votes cast standard.

The closing of the Reclassification is subject to customary conditions, including, (i) the approval of the A&R Charter by the affirmative vote of (a) a majority of the issued and outstanding shares of Class A Common Stock and Class B Common Stock entitled to vote thereon, voting together as thereon;

- the adoption of a single class, (b) a majority "majority of the issued votes cast" standard for uncontested director elections; and outstanding
- the designation of (i) the New York Supreme Court as the exclusive forum for (a) certain derivative claims, (b) claims asserting breach of fiduciary duties, (c) claims pursuant to the New York Business Corporation

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Law, the Company's Restated Certificate of Class B Common Stock entitled to vote thereon, Incorporation or the Company's Third Amended and (c) a majority of the issued and outstanding shares of Class A Common Stock held Restated By-Laws or (d) claims governed by the Unaffiliated Class A Holders (as defined in the Reclassification Agreement), internal affairs doctrine and (ii) the approval of U.S. federal district courts as the Voting Standard Amendment by the affirmative vote of two-thirds of the issued and outstanding shares of Class A Common Stock and Class B Common Stock entitled to vote thereon, voting together as a single class, (iii) the effectiveness of the Company's registration statement on Form S-4 to be filed with the SEC in connection with the Reclassification, (iv) the approval by the NYSE of the listing of the shares of Class A Common Stock into which the Class B Common Stock will be reclassified, exchanged and converted into, subject to official notice of issuance; and (v) the accuracy of the representations and warranties of each party set forth in the Reclassification Agreement and the compliance with each party's obligations exclusive forum for claims under the Reclassification Agreement, in each case subject to customary materiality qualifiers. In connection with the Reclassification Agreement, the holders of the Class B Common Stock have executed an irrevocable proxy, pursuant to which, they have agreed to vote all of the shares of Class B Common Stock and Class A Common Stock held by such holders in favor of the Reclassification and the transactions contemplated by the Reclassification Agreement. Securities Act.

Note 10.9. Restructuring and Other Costs

Optimization of Company Operations and Profitability Improvement

During fiscal years 2022 and 2023, the The Company identified continues to identify opportunities for improvements in its workforce realignment, strategy and staffing, and increased its focus on performance management, to ensure it has the right skillsets skill sets and number of associates to execute its long-term vision. As such, the Company extended extends voluntary and involuntary severance and separation benefits to certain associates in order to facilitate its workforce realignment. In addition, from time to time, the Company engaged engages consultants to assist in reviewing the optimization of the Company's operations and improving profitability with executing on its Company-wide initiative, referred to as Mission Critical, through fiscal year 2023.

MSC INDUSTRIAL DIRECT CO., INC.

Notes to Condensed Consolidated Financial Statements

(Dollar amounts and shares in thousands, except per share data)

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profitability.

The following table summarizes restructuring and other costs for the thirteen- and thirty-nine-week thirteen-week periods ended June 3, 2023 December 2, 2023 and May 28, 2022 December 3, 2022:

		Thirteen Weeks Ended		Thirty-Nine Weeks Ended		Thirteen Weeks Ended	
		June 3, 2023		May 28, 2022		June 3, 2023	
		June 3, 2023	May 28, 2022	June 3, 2023	May 28, 2022	December 2, 2023	December 3, 2022
Consulting-related costs	Consulting-related costs	\$ —	\$ 3,150	\$ 3,115	\$ 5,670	Consulting-related costs	\$ 76
Associate severance and separation costs	Associate severance and separation costs	1,441	117	2,203	4,149	Associate severance and separation costs	736
Equity award acceleration costs	Equity award acceleration costs					Equity award acceleration costs	519
associated with severance	associated with severance	404	—	404	1,729	associated with severance	104
Other exit-related costs	Other exit-related costs	—	—	—	136		—
Total restructuring and other costs	Total restructuring and other costs	\$ 1,845	\$ 3,267	\$ 5,722	\$ 11,684	Total restructuring and other costs	\$ 916
							\$ 2,094

Liabilities associated with restructuring and other costs are included in Accrued expenses and other current liabilities in the unaudited Condensed Consolidated Balance Sheet as of June 3, 2023 December 2, 2023. The following table summarizes activity related to liabilities associated with restructuring and other costs for the thirty-nine-week thirteen-week period ended June 3, 2023 December 2, 2023:

		Associate			Associate		
		Consulting-related costs	severance and separation costs	Total	Consulting-related costs	severance and separation costs	Total
Balance at September 3, 2022	\$ 840	\$ 1,874	\$ 2,714				
Balance at September 2, 2023				Balance at September 2, 2023	\$ 100	\$ 1,037	\$ 1,137
Additions	Additions	3,115	2,203	5,318	Additions	76	736
Payments and other adjustments	Payments and other adjustments	(3,955)	(2,314)	(6,269)	Payments and other adjustments	(100)	(776)
Balance at June 3, 2023	\$ —	\$ 1,763	\$ 1,763				
Balance at December 2, 2023				Balance at December 2, 2023	\$ 76	\$ 997	\$ 1,073

Note 11. Product Warranties

The Company generally offers a maximum one year warranty, including parts and labor, for certain of its products sold. The specific terms and conditions of those warranties vary depending upon the product sold. The Company may be able to recoup some of these costs through product warranties it holds with the original equipment manufacturers, which typically range from 30 days to 90 days. In general, many of the Company's general merchandise products are covered by third-party original equipment manufacturers' warranties. The Company's warranty expense for the thirteen- and thirty-nine-week periods ended June 3, 2023 and May 28, 2022 was immaterial.

Note 12. 10. Income Taxes

During the thirty-nine-week thirteen-week period ended June 3, December 2, 2023, there were no material changes in unrecognized tax benefits.

The United States government enacted the CARES Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") to provide certain relief as a result of the COVID-19 pandemic. The CARES Act provides tax relief, along with other stimulus measures, including the ERC, Employee Retention Credit (the "ERC") provision, which allows for employers to claim a refundable tax credit against the employer share of Social Security taxes equal to 50% of qualified wages paid to qualified employees between March 13, 2020 and December 31, 2020 and 70% of qualified wages paid to qualified employees after December 31, 2020 through September 30, 2021. The ERC was designed to encourage businesses to keep employees on the payroll during the COVID-19 pandemic. During the thirty-nine weeks ended June 3,

2023, fiscal year 2023, the Company received \$12,664 funds related to ERC claims previously submitted. As there is no authoritative guidance under accounting principles generally accepted in the United States of America on accounting for government assistance to for-profit business entities, the Company accounts for the

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ERC by analogy to International Accounting Standard 20, Accounting for Government Grants and Disclosure of Government Assistance. Management determined the probability threshold has not been met for \$11,695 \$5,129 of the funds received in fiscal year 2023, and, as such, that portion of the funds was recorded remains in Accrued accrued expenses and other current liabilities in the unaudited Condensed Consolidated Balance Sheet as of June 3, 2023 December 2, 2023.

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The Company is currently under review by Statement of Income when the United States Internal Revenue Service for employment tax matters, which includes the time period under probability threshold has been met, which the ERC claims were submitted.

The CARES Act provides for Company has determined to be the deferral earlier of a completed audit or the lapse of the employer-paid portion relevant statute of social security payroll taxes. The Company elected to defer the employer-paid portion of social security payroll taxes through December 31, 2020 of \$18,887. Of this amount, half was remitted in December 2021 and the remaining half was remitted in December 2022, limitations.

The Company's effective tax rate was 24.9% 24.3% for the thirty-nine-week thirteen-week period ended June 3, 2023 December 2, 2023, as compared to 24.7% for the thirty-nine-week thirteen-week period ended May 28, 2022 December 3, 2022. The effective tax rate is higher than the Federal federal statutory tax rate primarily due to state taxes.

Note 13.11. Legal Proceedings

In the ordinary course of business, there are various claims, lawsuits and pending actions against the Company incidental to the operation of its business. Although the outcome of these matters, both individually and in aggregate, is currently not determinable, management does not expect that the ultimate costs to resolve these matters will have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity.

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

The following is intended to update the information contained in MSC Industrial Direct Co., Inc.'s (together with its wholly owned subsidiaries and entities in which it maintains a controlling financial interest, "MSC," "MSC Industrial," the "Company," "we," "us" or "our") Annual Report on Form 10-K for the fiscal year ended September 3, 2022 September 2, 2023 and presumes that readers have access to, and will have read, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of Part II of such Annual Report on Form 10-K.

Overview

MSC is a leading North American distributor of a broad range of metalworking and maintenance, repair and operations ("MRO") products and services. We help our customers drive greater productivity, profitability and growth with inventory management and other supply chain solutions and deep expertise from more than 80 years of working with customers across industries. We offer approximately 2.3 million 2.4 million active, saleable SKUs stock-keeping units ("SKUs") through our catalogs; our brochures; our eCommerce E-commerce channels, including our website, www.mscdirect.com (the "MSC website"); our inventory management solutions; and our customer care centers, customer fulfillment centers, regional inventory centers and warehouses. We service our customers from six customer fulfillment centers, 10 regional inventory centers, 37 38 warehouses, and four manufacturing locations, including two locations acquired in the January 2023 acquisition of Buckeye Industrial Supply Co. ("Buckeye") and Tru-Edge Grinding, Inc. ("Tru-Edge"). locations. We continue to implement our strategies to gain market share, generate new customers, increase sales to existing customers, and diversify our customer base.

Our business model focuses on providing overall procurement cost reduction and just-in-time delivery to meet our customers' needs. Many of our products are carried in stock, and orders for these in-stock products are typically fulfilled the day on which the order is received.

We focus on offering inventory, process and procurement solutions that reduce MRO supply chain costs and improve plant floor productivity for our customers. We will seek to continue to achieve cost reductions throughout our business through cost-saving strategies and increased leverage from our existing infrastructure, and

to continue to provide additional procurement cost-saving solutions to our customers through technology such as our Electronic Data Interchange ("EDI") systems, vendor-managed inventory ("VMI") systems and vending programs. Our field sales and service associate headcount was 2,580 2,619 at June 3, 2023 December 2, 2023, compared to 2,448 2,545 at May 28, 2022 December 3, 2022.

Highlights

Highlights during the thirty-nine thirteen weeks ended June 3, 2023 December 2, 2023 include the following:

- We generated \$567.1 million \$81.2 million of cash from operations, compared to \$135.3 million \$76.0 million for the same period in the prior fiscal year. The increase was primarily from the \$300.0 million Receivables Purchase Agreement (the "RPA") entered into during the second quarter of fiscal year 2023.
- We had net payments borrowings of \$330.0 \$83.0 million on our credit facilities, private placement debt and shelf facility agreements, compared to net borrowings payments of \$4.5 \$15.0 million for the same period in the prior fiscal year. Proceeds from the RPA were primarily utilized to pay down debt on our credit facilities.
- We paid out an aggregate \$132.5 million \$47.2 million in regular cash dividends, compared to an aggregate \$125.5 \$44.2 million in regular cash dividends for the same period in the prior fiscal year.
- We repurchased \$31.1 million \$132.0 million of MSC's Class A Common Stock, par value \$0.001 per share ("Class A Common Stock"), compared to \$4.9 million \$18.5 million for the same period in the prior fiscal year.
- In January 2023, we acquired Buckeye and Tru-Edge for aggregate consideration of \$22.4 million, which included cash paid of \$20.5 million and The higher repurchase volume was primarily to offset the fair value of contingent consideration to be paid out of \$2.3 million, net of a post-closing working capital adjustment in the amount of \$0.4 million received share dilution resulting from the sellers. Reclassification (as defined below).
- We incurred \$5.7 million \$0.9 million in restructuring and other costs, compared to \$11.7 million \$2.1 million for the same period in the prior fiscal year. Restructuring and other costs primarily consist of consulting-related costs and associate severance and separation costs associated with the optimization of the Company's operations and profitability improvement.
- We completed our previously announced reclassification (the "Reclassification") of our common stock to eliminate our Class B Common Stock, par value \$0.001 per share ("Class B Common Stock"). Pursuant to the Reclassification, each issued and outstanding share of Class B Common Stock was reclassified, exchanged and converted into 1.225 shares of Class A Common Stock. See Note 8, "Shareholders' Equity" in the Notes to Condensed Consolidated Financial Statements for additional information.

Recent Developments

Progress on Moving Beyond Mission Critical

As previously disclosed, we initiated a company-wide project in fiscal year 2020, which we refer to as "Mission Critical," to accelerate which focused on market share capture and improve improved profitability over came to a close at the period through end of fiscal year 2023. Among the We successfully executed on our Mission Critical initiatives, to realize growth, we began and expect to continue investing in which included solidifying our market-leading metalworking business, by adding to with an emphasis on selling our metalworking specialist team, introducing value-added services to our customers, product portfolio, expanding our vending, VMI solutions, improving our digital and in-plant solutions programs, building out our sales force, E-commerce capabilities and diversifying our customers and end-markets. We also are focusing end markets. The next phase of our mission critical journey is anchored in three pillars: maintaining the momentum of the first phase of the Mission Critical program and our existing growth drivers, increasing our focus on improving profitability through both core customers and OEM fasteners, and driving productivity improvements and reducing operating expenses as a percentage of sales. To accomplish the implementation next phase of various pricing strategies and our mission critical structural cost reductions journey, we will leverage investments in order advanced analytics to improve return on invested capital. Since fiscal year 2020, cost reductions were comprised of savings in the areas of sales and service, supply chain performance, maintain momentum from our category line reviews and general upgrade our digital core to unlock productivity within our order-to-cash and administrative expenses, and included initiatives to optimize our distribution center network and real estate footprint, renegotiate supplier contracts, and redesign our talent acquisition and retention approach. procure-to-pay processes.

Impact of Economic Trends

The United States economy has experienced and continues to experience disruptions in the supply of certain products and services and tight conditions in the labor market. These disruptions and conditions have contributed to various macroeconomic pressures including an elevated inflationary environment, which, while falling, remains elevated sustained high interest rates and has affected the price general economic and at times, the availability of certain products and services necessary for the Company's operations, including fuel, labor and certain products the Company sells or the inputs for such products. political uncertainty. Such disruptions and conditions pressures have impacted, and may continue to impact in the future, the Company's business, financial condition and results of operations.

As During the first quarter, the Company experienced softening demand for the products and services it offers as evidenced by the decrease in the average IP Index (as defined below) during the quarter. High finished goods inventories from the auto industry disruption in conjunction with a year-end holiday pause further softened customer demand. This, in combination with lingering uncertainty as a result of recent high inflation the UAW strike (as defined below), led many of our customers to reduce inventory rather than purchase new products.

On September, 15, 2023, the International Union, United Automobile, Aerospace and periodic supply chain disruptions, Agricultural Implement Workers of America ("UAW") engaged in a strike against major automakers and automotive part suppliers, which was resolved on October 30, 2023. The Company has some

direct exposure to the automotive end market and is also indirectly impacted by customers who service the automotive industry. The company continues to broaden and diversify its customer base, however the impact of the UAW strike on automotive and related end markets was a headwind to overall net sales of the Company. The company continues to implement price realization strategies in response to increased costs during the Company faces and has invested in improved warehouse automation to mitigate the effects of labor inflation. The category line review process initiated in the second first quarter of fiscal year 2023 continues to progress and shows early signs of improvements in supply chain efficiency, customer experience and supplier engagement. Furthermore, in light of disruptions to availability and increased or uncertain shipping times, the Company is maintaining higher purchasing levels than it did prior to its fiscal year 2020 in order to ensure sufficient inventory supply to meet customer demand.

Reclassification Proposal

On January 31, 2023, the Board of Directors of the Company (the "Board") received a proposal (the "Proposal") from the Company's controlling shareholders, the Jacobson/Gershwind family, to exchange each of their shares of Class B Common Stock, par value \$0.001 per share ("Class B Common Stock" and, together with Class A Common Stock, "Common Stock") for shares of Class A Common Stock, reclassify the Class B Common Stock and the Class A Common Stock into a single class of common stock and eliminate the current dual-class share structure (the "Reclassification"). The Board formed a Special Committee composed entirely of independent and disinterested directors to evaluate the Proposal, which was advised by independent financial and legal advisors.

On June 21, 2023, the Company announced that it had reached an agreement with the Jacobson/Gershwind family with respect to the Reclassification, in support of which, the Company entered into a Reclassification Agreement, dated as of June 20, 2023 (the "Reclassification Agreement"), with the holders of the Class B Common Stock listed therein.

The Reclassification Agreement provides that, following the satisfaction of the conditions to closing set forth in the Reclassification Agreement, the Company will amend and restate its Certificate of Incorporation (the "A&R Charter"). Upon the A&R Charter being duly filed with the New York Secretary of State (the "Effective Time"), among other things, each share of Class B Common Stock issued and outstanding immediately prior to the Effective Time will be exchanged for 1.225 shares of Class A Common Stock. The A&R Charter also will change the voting standard relating to (i) the approval of mergers, asset sales, share exchanges, dissolution and certain other significant transactions from a standard of two-thirds of the votes of all outstanding shares entitled to vote thereon to a majority of the votes of all outstanding shares entitled to vote thereon (the "Voting Standard Amendment") and (ii) the election of directors in uncontested elections from the current plurality of the votes cast standard to a majority of the votes cast standard. Under the A&R Charter, contested elections of directors will be determined by a plurality of the votes cast standard.

The closing of the Reclassification is subject to customary conditions, including, (i) the approval of the A&R Charter by the affirmative vote of (a) a majority of the issued and outstanding shares of Class A Common Stock and Class

B Common Stock entitled to vote thereon, voting together as a single class, (b) a majority of the issued and outstanding shares of Class B Common Stock entitled to vote thereon, and (c) a majority of the issued and outstanding shares of Class A Common Stock held by the Unaffiliated Class A Holders (as defined in the Reclassification Agreement), (ii) the approval of the Voting Standard Amendment by the affirmative vote of two-thirds of the issued and outstanding shares of Class A Common Stock and Class B Common Stock entitled to vote thereon, voting together as a single class, (iii) the effectiveness of the Company's registration statement on Form S-4 to be filed with the SEC in connection with the Reclassification, (iv) the approval by the NYSE of the listing of the shares of Class A Common Stock into which the Class B Common Stock will be reclassified, exchanged and converted into, subject to official notice of issuance; and (v) the accuracy of the representations and warranties of each party set forth in the Reclassification Agreement and the compliance with each party's obligations under the Reclassification Agreement, in each case subject to customary materiality qualifiers. In connection with the Reclassification Agreement, the holders of the Class B Common Stock have executed an irrevocable proxy, pursuant to which, they have agreed to vote all of the shares of Class B Common Stock and Class A Common Stock held by such holders in favor of the Reclassification and the transactions contemplated by the Reclassification Agreement. 2024.

Our Strategy

Our primary objective is to grow sales profitably while offering our customers highly technical and high-touch solutions to solve their most complex challenges on the plant floor. We have experienced success to date as measured by the growth rates of our high-touch programs, such as Vending and In-Plant programs, and the rate of new customer implementations. Our strategy is to complete the transition from being a spot-buy supplier to a mission-critical partner to our customers. We will selectively pursue strategic acquisitions that expand or complement our business in new and existing markets or further enhance the value and offerings we provide.

Business Environment

We utilize various indices when evaluating the level of our business activity, including the Industrial Production ("IP") index. Approximately 66% and 68% of our revenues came from sales in the manufacturing sector during the thirteen- and thirty-nine-week periods thirteen-week period ended June 3, 2023, respectively. December 2, 2023. Through statistical analysis, we have found that trends in our customers' activity have correlated to changes in the IP index. The IP index measures short-term changes in industrial production. Growth in the IP index from month to month indicates growth in the manufacturing, mining and utilities industries. The IP index over the three months ended May November 2023 and the average for the three- and 12-month periods ended May November 2023 were as follows:

Period	IP Index
March September	103.3
October	102.4
November	102.7
April	103.2
May	103.0
Fiscal Year 2023 Q3 2024 Q1 Average	102.9 102.8
12-Month Average	102.9 102.7

The average IP index Index for the three months ended June 3, 2023 November 2023 of 102.9 increased 102.8 decreased from the adjusted average from the prior fiscal year quarter of 102.2, 103.3, which indicated growth indicates a decline in manufacturing output during the period. Favorable conditions exist in certain end markets and volume remains stable. Despite improvements in certain areas, General economic uncertainty remains driven by higher elevated inflationary environment, sustained high interest rates and continued elevated levels of inflation. Recently, the United States economy has experienced supply chain disruptions and significant levels of inflation. The Company has implemented price realization strategies in response to increased costs the Company faces. political uncertainty. As we see the IP index Index continue to fluctuate, we will monitor the current economic conditions for the impact on our customers and markets and assess both risks and opportunities that may affect our business and operations. See "Impact of Economic Trends" above.

Thirteen-Week Period Ended June 3, 2023 December 2, 2023 Compared to the Thirteen-Week Period Ended May 28, 2022 December 3, 2022

The table below summarizes the Company's results of operations both in dollars (in thousands) and as a percentage of net sales for the periods indicated:

		Thirteen Weeks Ended						Thirteen Weeks Ended						Thirteen Weeks Ended					
		June 3, 2023			May 28, 2022			Change			December 2, 2023			December 3, 2022			Change		
		\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Net sales	Net sales	\$1,054,464	100.0 %	\$958,579	100.0 %	\$95,885	10.0 %	Net sales	\$953,969	100.0 %	\$957,745	100.0 %	\$ (3,776)	(0.4) %					
Cost of goods sold	Cost of goods sold	625,527	59.3 %	547,430	57.1 %	78,097	14.3 %	Cost of goods sold	560,852	58.8 %	559,946	58.5 %	906	0.2 %					
Gross profit	Gross profit	428,937	40.7 %	411,149	42.9 %	17,788	4.3 %	Gross profit	393,117	41.2 %	397,799	41.5 %	(4,682)	(1.2) %					
Operating expenses	Operating expenses	291,706	27.7 %	271,046	28.3 %	20,660	7.6 %	Operating expenses	290,633	30.5 %	279,695	29.2 %	10,938	3.9 %					
Restructuring and other costs	Restructuring and other costs	1,845	0.2 %	3,267	0.3 %	(1,422)	(43.5) %	Restructuring and other costs	916	0.1 %	2,094	0.2 %	(1,178)	(56.3) %					
Income from operations	Income from operations	135,386	12.8 %	136,836	14.3 %	(1,450)	(1.1) %	Income from operations	101,568	10.6 %	116,010	12.1 %	(14,442)	(12.4) %					
Total other expense	Total other expense	(8,981)	(0.9) %	(3,702)	(0.4) %	(5,279)	142.6 %	Total other expense	(10,250)	(1.1) %	(8,159)	(0.9) %	(2,091)	25.6 %					
Income before provision for income taxes	Income before provision for income taxes	126,405	12.0 %	133,134	13.9 %	(6,729)	(5.1) %	Income before provision for income taxes	91,318	9.6 %	107,851	11.3 %	(16,533)	(15.3) %					
Provision for income taxes	Provision for income taxes	31,266	3.0 %	33,417	3.5 %	(2,151)	(6.4) %	Provision for income taxes	22,190	2.3 %	26,639	2.8 %	(4,449)	(16.7) %					
Net income	Net income	95,139	9.0 %	99,717	10.4 %	(4,578)	(4.6) %	Net income	69,128	7.2 %	81,212	8.5 %	(12,084)	(14.9) %					
Less: Net (loss) income attributable to noncontrolling interest		(41)	0.0 %	60	0.0 %	(101)	(168.3) %												

Less: Net loss attributable to noncontrolling interest		Less: Net loss attributable to noncontrolling interest	(222)	0.0 %	(102)	0.0 %	(120)	117.6 %				
Net income attributable to MSC Industrial	\$ 95,180	9.0 %	\$ 99,657	10.4 %	\$ (4,477)	(4.5)%	\$ 69,350	7.3 %	\$ 81,314	8.5 %	\$ (11,964)	(14.7)%

Net Sales

Net sales increased 10.0% decreased 0.4%, or \$95.9 million \$3.8 million, to \$1,054.5 million \$954.0 million for the thirteen-week period ended June 3, 2023 December 2, 2023, as compared to \$958.6 million \$957.7 million for the same period in the prior fiscal year. The \$95.9 million increase \$3.8 million decrease in net sales was comprised of \$36.8 \$29.7 million of net lower sales from fiscal year 2022 and 2023 acquisitions, \$33.6 volume, partially offset by \$15.5 million from improved pricing, inclusive of changes in customer and product mix, discounting and other items, \$25.0 \$7.8 million of higher net sales volume, inclusive of one fewer selling day in from fiscal year 2023 acquisitions and \$0.5 \$2.6 million of favorable foreign exchange impact. Of the \$95.9 million increase \$3.8 million decrease in net sales during the thirteen-week period ended June 3, 2023 December 2, 2023, sales to our public sector customers increased by \$52.7 million, sales to our national account customer sales increased by \$24.7 million and sales to our core and other customers increased decreased by \$18.5 \$30.3 million, partially offset by an increase in sales to our national account customers of \$17.9 million and an increase in sales to our public sector customers of \$8.6 million.

The table below shows, among other things, the change in our average daily sales ("ADS") by total Company and by customer type end-market for the thirteen-week period ended June 3, 2023 December 2, 2023 and December 3, 2022, each as compared to the same period in the prior fiscal year:

		ADS Percentage Change					
		(Unaudited)					
		Thirteen Weeks Ended				Thirteen Weeks Ended	
		June 3, 2023	May 28, 2022			December 2, 2023	December 3, 2022
Net Sales (in thousands)	Net Sales (in thousands)	\$ 1,054,464	\$ 958,579	Net Sales (in thousands)	\$ 953,969	\$ 957,745	
Sales Days	Sales Days	64	65	Sales Days	62	62	
ADS (1) (in millions)	ADS (1) (in millions)	\$ 16.5	\$ 14.7	ADS (1) (in millions)	\$ 15.4	\$ 15.4	
Total Company ADS Percent Change (2)	Total Company ADS Percent Change (2)	11.7 %	10.7 %	Total Company ADS Percent Change (2)	(0.4) %	12.9 %	
Manufacturing Customers ADS Percent Change (2)	Manufacturing Customers ADS Percent Change (2)	5.8 %	11.6 %	Manufacturing Customers ADS Percent Change (2)	(3.7) %	11.1 %	
Percent of Total	Percent of Total			Percent of Total			
Net Sales (2)	Net Sales (2)	66 %	70 %	Net Sales (2)	68 %	69 %	
Non-Manufacturing Customers ADS Percent Change (2)	Non-Manufacturing Customers ADS Percent Change (2)	25.3 %	8.7 %	Non-Manufacturing Customers ADS Percent Change (2)	7.0 %	17.2 %	
Percent of Total	Percent of Total			Percent of Total			
Net Sales (2)	Net Sales (2)	34 %	30 %	Net Sales (2)	32 %	31 %	

(1) ADS is calculated using the number of business days in the United States for the periods indicated. The Company believes ADS is a key performance indicator because it shows the effectiveness of the Company's selling performance on a consistent basis between periods.

(2) **Includes** Percent reflects the effect of a reclassification of end-markets which occurred during change from the fourth quarter of 2023 fiscal year 2022 period to the 2024 fiscal period and the change from the 2022 fiscal period to the 2023 fiscal period, respectively.

We believe that our ability to transact business with our customers directly through the MSC website as well as through various other electronic portals gives us a competitive advantage over smaller suppliers. Sales made through our **eCommerce** **E-commerce** platforms, including sales made through EDI systems, VMI systems, Extensible Markup Language ordering-based systems, vending, hosted systems and other electronic portals, represented **60.1%** **63.3%** of consolidated net sales for the thirteen-week period ended **June 3, 2023** **December 2, 2023**, as compared to **62.0%** **61.9%** of consolidated net sales for the same period in the prior fiscal year. The decline was primarily attributable to large sales to a single customer in the public sector business that did not transact through our **eCommerce** platforms.

Gross Profit

Gross profit of **\$428.9** **\$393.1** million for the thirteen-week period ended **June 3, 2023** increased **\$17.8** **December 2, 2023** decreased **\$4.7** million, or **4.3%** **1.2%**, compared to the same period in the prior fiscal year. Gross profit margin was **40.7%** **41.2%** for the thirteen-week period ended **June 3, 2023** **December 2, 2023**, as compared to **42.9%** **41.5%** for the same period in the prior fiscal year. The increase decrease in gross profit and gross profit margin was primarily a result of a **higher** **lower** sales level volume as described above and gross profits from our recent acquisitions. The decline in gross profit margin was primarily attributable to large a headwinds between sales from a public sector customer during the quarter which was transacted below our typical public sector customer margins, as well as unfavorable customer mix as sales to our national account price and public sector customers are growing at higher rates and are typically at lower gross margins than the business as a whole. **cost of goods sold.**

Operating Expenses

Operating expenses increased **7.6%** **3.9%**, or **\$20.7** **\$10.9** million, to **\$291.7** **\$290.6** million for the thirteen-week period ended **June 3, 2023** **December 2, 2023**, as compared to **\$271.0** **\$279.7** million for the same period in the prior fiscal year. Operating expenses were **27.7%** **30.5%** of net sales for the thirteen-week period ended **June 3, 2023** **December 2, 2023**, as compared to **28.3%** **29.2%** for the same period in the prior fiscal year. The increase in operating expenses was These increases were primarily attributable to higher payroll and payroll-related costs. The decline costs and professional fees associated with the Reclassification, partially offset by a decrease in operating expenses as a percentage of net sales was related to our cost savings programs and productivity improvements resulting from our Mission Critical initiatives. **freight expense.**

Payroll and payroll-related costs for the thirteen-week period ended **June 3, 2023** **December 2, 2023** were **56.1%** **56.8%** of total operating expenses, as compared to **57.7%** **56.2%** for the same period in the prior fiscal year. Payroll and payroll-related costs, which include salary, incentive compensation, sales commission, and fringe benefit costs, increased **\$7.3 million** **\$7.8 million** for the thirteen-week period ended **June 3, 2023** **December 2, 2023**. The majority of this increase compared to the same period in the prior fiscal year was due to increased salary **expenses** **expense**, primarily attributable to higher associate headcount to support our strategic growth investments and **fringe** annual merit increases. Fringe benefit costs including also increased, resulting from higher insurance-related healthcare reserves due to recent higher healthcare **claims**, **claims**. These increases were partially offset by a lower incentive compensation accrual.

Freight expense was **\$37.4** million for the thirteen-week period ended December 2, 2023, as compared to **\$40.5** million for the same period in the prior fiscal year. The primary drivers of the decrease in freight expense were decreased sales volume and dissipating fuel-related charges.

Restructuring and Other Costs

We incurred **\$1.8** **\$0.9** million in restructuring and other costs for the thirteen-week period ended **June 3, 2023** **December 2, 2023**, as compared to **\$3.3** **\$2.1** million for the same period in the prior fiscal year. Restructuring and other costs primarily consist of consulting-related costs, and associate severance and separation costs and equity award acceleration costs associated with severance related with the optimization of the Company's operations and profitability improvement. See Note **10**, **9**, "Restructuring and Other Costs" in the Notes to Condensed Consolidated Financial Statements for additional information.

Income from Operations

Income from operations decreased **1.1%** **12.4%**, or **\$1.5** **\$14.4** million, to **\$135.4** **\$101.6** million for the thirteen-week period ended **June 3, 2023** **December 2, 2023**, as compared to **\$136.8** **\$116.0** million for the same period in the prior fiscal year. Income from operations as a percentage of net sales decreased to **12.8%** **10.6%** for the thirteen-week period ended **June 3, 2023** **December 2, 2023**, as compared to **14.3%** **12.1%** for the same period in the prior fiscal year. The decrease in income from operations as a percentage of net sales was primarily attributable to, as described above, a lower gross profit margin as described above, partially offset by and an improvement increase in operating expenses as a percentage of net sales during the thirteen-week period ended **June 3, 2023** **December 2, 2023**.

Total Other Expense

Total other expense increased **142.6%** **25.6%**, or **\$5.3** **\$2.1** million, to **\$9.0** **\$10.3** million for the thirteen-week period ended **June 3, 2023** **December 2, 2023**, as compared to **\$3.7** **\$8.2** million for the same period in the prior fiscal year. The increase was primarily due to higher interest rates on our credit facilities and fees incurred associated with the **RPA**. **Receivables Purchase Agreement** (the "RPA") entered into during fiscal year 2023.

Provision for Income Taxes

The Company's effective tax rate for the thirteen-week period ended **June 3, 2023** December 2, 2023 was **24.7%** **24.3%**, as compared to **25.1%** **24.7%** for the same period in the prior fiscal year. The decrease in the effective tax rate was primarily due to the lapse of the statute of limitations as it related to an uncertain tax position, benefit from stock-based compensation.

Net Income

The factors which affected net income for the thirteen-week period ended **June 3, 2023**, as compared to the same period in the prior fiscal year, have been discussed above.

Thirty-Nine-Week Period Ended June 3, 2023 Compared to the Thirty-Nine-Week Period Ended May 28, 2022

The table below summarizes the Company's results of operations both in dollars (in thousands) and as a percentage of net sales for the periods indicated:

	Thirty-Nine Weeks Ended					
	June 3, 2023		May 28, 2022		Change	
	\$	%	\$	%	\$	%
Net sales	\$ 2,973,841	100.0 %	\$ 2,669,648	100.0 %	\$ 304,193	11.4 %
Cost of goods sold	1,750,410	58.9 %	1,539,628	57.7 %	210,782	13.7 %
Gross profit	1,223,431	41.1 %	1,130,020	42.3 %	93,411	8.3 %
Operating expenses	852,031	28.7 %	793,600	29.7 %	58,431	7.4 %
Restructuring and other costs	5,722	0.2 %	11,684	0.4 %	(5,962)	(51.0)%
Income from operations	365,678	12.3 %	324,736	12.2 %	40,942	12.6 %
Total other expense	(25,244)	(0.8)%	(11,329)	(0.4)%	(13,915)	122.8 %
Income before provision for income taxes	340,434	11.4 %	313,407	11.7 %	27,027	8.6 %
Provision for income taxes	84,768	2.9 %	77,279	2.9 %	7,489	9.7 %
Net income	255,666	8.6 %	236,128	8.8 %	19,538	8.3 %
Less: Net income attributable to noncontrolling interest	32	0.0 %	473	0.0 %	(441)	(93.2)%
Net income attributable to MSC Industrial	\$ 255,634	8.6 %	\$ 235,655	8.8 %	\$ 19,979	8.5 %

Net Sales

Net sales increased 11.4%, or \$304.2 million, to \$3.0 billion for the thirty-nine-week period ended June 3, 2023, as compared to \$2.7 billion for the same period in the prior fiscal year. The \$304.2 million increase in net sales was comprised of \$131.6 million from improved pricing, inclusive of changes in customer and product mix, discounting and other items, \$98.7 million of net sales from fiscal year 2022 and 2023 acquisitions and \$77.0 million of higher sales volume, inclusive of one fewer selling day in fiscal year 2023, partially offset by \$3.1 million of unfavorable foreign exchange impact. Of the \$304.2 million increase in net sales during the thirty-nine-week period ended June 3, 2023, national account customer sales increased by \$126.9 million, sales to our core and other customers increased by \$99.4 million and sales to our public sector customers increased by \$77.9 million.

The table below shows, among other things, the change in our ADS by total Company and by customer type for the thirty-nine-week period ended June 3, 2023, as compared to the same period in the prior fiscal year:

ADS Percentage Change (Unaudited)

	Thirty-Nine Weeks Ended	
	June 3, 2023	May 28, 2022
Net Sales (in thousands)	\$ 2,973,841	\$ 2,669,648
Sales Days	\$ 189	\$ 190
ADS ⁽¹⁾ (in millions)	\$ 15.7	\$ 14.1
Total Company ADS Percent Change	12.0 %	9.5 %
Manufacturing Customers ADS Percent Change ⁽²⁾	8.8 %	11.5 %

Manufacturing Customers Percent of Total Net Sales ⁽²⁾	68 %	70 %
Non-Manufacturing Customers ADS Percent Change ⁽²⁾	19.4 %	5.1 %
Non-Manufacturing Customers Percent of Total Net Sales ⁽²⁾	32 %	30 %

(1) ADS is calculated using the number of business days in the United States for the periods indicated. The Company believes ADS is a key performance indicator because it shows the effectiveness of the Company's selling performance on a consistent basis between periods.

(2) Includes the effect of a reclassification of end-markets which occurred during the fourth quarter of fiscal year 2022.

We believe that our ability to transact business with our customers directly through the MSC website as well as through various other electronic portals gives us a competitive advantage over smaller suppliers. Sales made through our eCommerce platforms, including sales made through EDI systems, VMI systems, Extensible Markup Language ordering-based systems, vending, hosted systems and other electronic portals, represented 61.3% of consolidated net sales for the thirty-nine-week period ended June 3, 2023, as compared to 61.1% of consolidated net sales for the same period in the prior fiscal year.

Gross Profit

Gross profit of \$1.2 billion for the thirty-nine-week period ended June 3, 2023 increased \$93.4 million, or 8.3%, compared to the same period in the prior fiscal year. Gross profit margin was 41.1% for the thirty-nine-week period ended June 3, 2023, as compared to 42.3% for the same period in the prior fiscal year. The increase in gross profit was primarily a result of a higher sales level as described above and gross profits from our recent acquisitions. The decline in gross profit margin was primarily attributable to unfavorable customer mix as our national account and public sector customers are growing at higher rates and are typically at lower gross margins than the business as a whole. This trend was amplified by large sales from a public sector customer during the third quarter which was transacted below our typical public sector customer margins. In addition, our recent acquisitions contributed to the lower gross profit margin.

Operating Expenses

Operating expenses increased 7.4%, or \$58.4 million, to \$852.0 million for the thirty-nine-week period ended June 3, 2023, as compared to \$793.6 million for the same period in the prior fiscal year. Operating expenses were 28.7% of net sales for the thirty-nine-week period ended June 3, 2023, as compared to 29.7% for the same period in the prior fiscal year. The increase in operating expenses was primarily attributable to higher payroll and payroll-related costs, as well as higher freight expense. The decline in operating expenses as a percentage of net sales was related to our cost savings programs and productivity improvements resulting from our Mission Critical initiatives.

Payroll and payroll-related costs for the thirty-nine-week period ended June 3, 2023 were 56.4% of total operating expenses, as compared to 57.5% for the same period in the prior fiscal year. Payroll and payroll-related costs, which include salary, incentive compensation, sales commission, and fringe benefit costs, increased \$24.1 million for the thirty-nine-week period ended June 3, 2023. The majority of this increase compared to the same period in the prior fiscal year was due to increased salary expenses and fringe benefit costs, including higher insurance-related healthcare reserves due to recent higher healthcare claims, partially offset by a lower incentive compensation accrual.

Freight expense was \$119.4 million for the thirty-nine-week period ended June 3, 2023, as compared to \$112.8 million for the same period in the prior fiscal year. The primary drivers of the increase in freight expense were increased sales volume and higher fuel-related charges. Fuel-related surcharges began to taper off during the third quarter.

Restructuring and Other Costs

We incurred \$5.7 million in restructuring and other costs for the thirty-nine-week period ended June 3, 2023, as compared to \$11.7 million for the same period in the prior fiscal year. Restructuring and other costs primarily consist of consulting-related costs and associate severance and separation costs associated with the optimization of the Company's operations and profitability improvement. See Note 10, "Restructuring and Other Costs" in the Notes to Condensed Consolidated Financial Statements for additional information.

Income from Operations

Income from operations increased 12.6%, or \$40.9 million, to \$365.7 million for the thirty-nine-week period ended June 3, 2023, as compared to \$324.7 million for the same period in the prior fiscal year. Income from operations as a percentage of net sales increased to 12.3% for the thirty-nine-week period ended June 3, 2023, as compared to 12.2% for the same period in the prior fiscal year. The increase in income from operations as a percentage of net sales was primarily attributable to a reduction in restructuring and other costs and an improvement in operating expenses as a percentage of net sales during the thirty-nine-week period ended June 3, 2023.

Total Other Expense

Total other expense increased 122.8%, or \$13.9 million, to \$25.2 million for the thirty-nine-week period ended June 3, 2023, as compared to \$11.3 million for the same period in the prior fiscal year. The increase was primarily due to higher interest rates on our credit facilities and fees incurred associated with the RPA.

Provision for Income Taxes

The Company's effective tax rate for the thirty-nine-week period ended June 3, 2023 was 24.9%, as compared to 24.7% for the same period in the prior fiscal year.

Net Income

The factors which affected net income for the thirty-nine-week period ended June 3, 2023 December 2, 2023, as compared to the same period in the prior fiscal year, have been discussed above.

Liquidity and Capital Resources

		June 3, 2023			September 3, 2022			December 2, 2023			September 2, 2023		
					\$ Change						\$ Change		
		(In thousands)						(In thousands)					
Total debt	Total debt	\$ 464,298	\$ 794,592	\$ (330,294)	Total debt	\$ 538,478	\$ 454,326	\$ 84,152					
Less: Cash and cash equivalents	Less: Cash and cash equivalents	58,428	43,537	14,891	Less: Cash and cash equivalents	25,805	50,052	(24,247)					
Net debt	Net debt	\$ 405,870	\$ 751,055	\$ (345,185)	Net debt	\$ 512,673	\$ 404,274	\$ 108,399					
Total shareholders' equity	Total shareholders' equity	\$ 1,502,546	\$ 1,362,283	\$ 140,263	Total shareholders' equity	\$ 1,398,225	\$ 1,492,582	\$ (94,357)					

As of June 3, 2023 December 2, 2023, we had \$58.4 million \$25.8 million in cash and cash equivalents, substantially all with well-known financial institutions. Historically, our primary financing needs have been to fund our working capital requirements necessitated by our sales growth and the costs of acquisitions, new products, new facilities, facility expansions, investments in vending solutions, technology investments, and productivity investments. Cash generated from operations, together with borrowings under our credit facilities and net proceeds from the private placement notes, have been used to fund these needs, to repurchase shares of Class A Common Stock from time to time, and to pay dividends to our shareholders.

As of June 3, 2023 December 2, 2023, total borrowings outstanding, representing amounts due under our credit facilities and notes, as well as all finance leases and financing arrangements, were \$464.3 million \$538.5 million, net of unamortized debt issuance costs of \$1.1 million \$0.9 million, as compared to total borrowings outstanding of \$794.6 million \$454.3 million, net of unamortized debt issuance costs of \$1.4 million \$1.0 million, as of the end of fiscal year 2022, 2023. The decrease increase in total borrowings outstanding was driven by higher net payments borrowings under our credit facilities, private placement debt and shelf facility agreements. Debt payments were primarily funded through the RPA entered into during the second quarter of fiscal year 2023, facilities. See Note 8, 7, "Debt" in the Notes to Condensed Consolidated Financial Statements for more information about these balances.

We believe, based on our current business plan, that our existing cash, financial resources and cash flow from operations will be sufficient to fund necessary anticipated capital expenditures and operating cash requirements for at least the next 12 months. We will continue to evaluate our financial position in light of future developments and to take appropriate action as it is warranted.

The table below summarizes certain information regarding the Company's cash flows for the periods indicated:

		Thirty-Nine Weeks Ended				Thirteen Weeks Ended			
		June 3, 2023		May 28, 2022		December 2, 2023		December 3, 2022	
		(In thousands)				(In thousands)			
Net cash provided by operating activities	Net cash provided by operating activities	\$ 567,077	\$ 135,302			Net cash provided by operating activities	\$ 81,168	\$ 76,024	
Net cash used in investing activities	Net cash used in investing activities	(84,295)	(44,943)			Net cash used in investing activities	(18,433)	(25,591)	
Net cash used in financing activities	Net cash used in financing activities	(468,087)	(101,998)			Net cash used in financing activities	(87,191)	(67,950)	

Effect of foreign exchange rate changes on cash and cash equivalents	Effect of foreign exchange rate changes on cash and cash equivalents	196	(50)	Effect of foreign exchange rate changes on cash and cash equivalents	209	311
Net increase (decrease) in cash and cash equivalents	\$ 14,891	\$ (11,689)				
Net decrease in cash and cash equivalents			Net decrease in cash and cash equivalents	\$ (24,247)	\$ (17,206)	

Cash Flows from Operating Activities

Net cash provided by operating activities was \$567.1 million \$81.2 million for the thirty-nine thirteen weeks ended June 3, 2023 December 2, 2023 compared to \$135.3 million \$76.0 million for the thirty-nine thirteen weeks ended May 28, 2022 December 3, 2022. The increase was primarily due to the following:

- a decrease in the change in accounts receivable and inventories primarily attributable to the RPA entered into during the second quarter of fiscal year 2023, which resulted in a decline in accounts receivable of \$300.0 million; lower sales and purchase volume; partially offset by
- a smaller increase decrease in the change in inventories accounts payable and accrued purchases as compared to the prior year period; period and
- an increase a decrease in net income as described above.

The table below summarizes certain information regarding the Company's operations as of the periods indicated:

		June 3,	September 3,	May 28,	December 2,	September 2,	December 3,	
		2023	2022	2022	2023	2023	2022	
		(Dollars in thousands)						
Working Capital ⁽¹⁾	Working Capital ⁽¹⁾	\$ 632,742	\$ 817,679	\$ 847,754	Working Capital ⁽¹⁾	\$ 643,108	\$ 668,077	\$ 831,812
Current Ratio ⁽²⁾	Current Ratio ⁽²⁾	1.9	2.1	2.4	Current Ratio ⁽²⁾	2.0	2.0	2.1
Days' Sales Outstanding ⁽³⁾	Days' Sales Outstanding ⁽³⁾	36.8	65.3	63.5	Days' Sales Outstanding ⁽³⁾	40.8	36.5	64.9
Inventory Turnover ⁽⁴⁾	Inventory Turnover ⁽⁴⁾	3.2	3.2	3.2	Inventory Turnover ⁽⁴⁾	3.2	3.2	3.2

(1) Working Capital is calculated as current assets less current liabilities.

(2) Current Ratio is calculated as total current assets divided by total current liabilities.

(3) Days' Sales Outstanding is calculated as accounts receivable divided by net sales, using trailing two months sales data.

(4) Inventory Turnover is calculated as total cost of goods sold divided by inventory, using a 13-month trailing average inventory.

Working capital and the current ratio both decreased relative remained consistent to both September 3, 2022 and May 28, 2022 September 2, 2023. The decreases from slight decrease in working capital was primarily due to lower accounts receivable, inventory and cash balances, partially offset by a lower accounts payable balance. The decline in accounts payable was a result of recent lower purchase volume. Working capital and the current ratio both dates were declined compared to December 3, 2022, primarily due to a decrease in accounts receivable resulting from the RPA entered into during the second quarter of fiscal year 2023. The RPA reduced the accounts receivable balances balance by \$300.0 million.

The increase in days' sales outstanding as of December 2, 2023 as compared to September 2, 2023 was primarily due to the receivables portfolio consisting of a greater percentage of our national account program sales, which typically have longer payment terms. The decrease in days' sales outstanding as of June 3, 2023 December 2, 2023 as compared to both September 3, 2022 and May 28, 2022 December 3, 2022 was primarily due to the RPA entered into during the second quarter of fiscal year 2023.

Inventory turnover as of June 3, 2023 December 2, 2023 remained consistent with both September 3, 2022 September 2, 2023 and May 28, 2022 December 3, 2022.

Cash Flows from Investing Activities

Net cash used in investing activities for the thirty-nine thirteen weeks ended June 3, 2023 December 2, 2023 and May 28, 2022 December 3, 2022 was \$84.3 million \$18.4 million and \$44.9 million \$25.6 million, respectively. The use of cash for both periods was primarily due to expenditures for property, plant and equipment mainly related to vending programs and Mission Critical projects. The use of cash for the thirty-nine weeks ended June 3, 2023 also included the acquisition of Buckeye other infrastructure and Tru-Edge technology investments.

Cash Flows from Financing Activities

Net cash used in financing activities was ~~\$468.1 million~~ \$87.2 million for the ~~thirty-nine~~ ~~thirteen~~ weeks ended ~~June 3, 2023~~ December 2, 2023 compared to ~~\$102.0 million~~ \$68.0 million for the ~~thirty-nine~~ ~~thirteen~~ weeks ended ~~May 28, 2022~~ December 3, 2022, primarily due to the following:

- ~~\$132.5~~ ~~132.0~~ million in aggregate repurchases of Class A Common Stock during the thirteen weeks ended December 2, 2023, compared to ~~\$18.5~~ million in aggregate repurchases of Class A Common Stock during the thirteen weeks ended December 3, 2022;
- ~~\$47.2~~ million of regular cash dividends paid during the ~~thirty-nine~~ ~~thirteen~~ weeks ended ~~June 3, 2023~~ December 2, 2023, compared to ~~\$125.5~~ ~~\$44.2~~ million of regular cash dividends paid during the ~~thirty-nine~~ ~~thirteen~~ weeks ended ~~May 28, 2022~~ December 3, 2022; and
- net ~~payments~~ ~~borrowings~~ under our credit facilities, private placement debt and shelf facility agreements of ~~\$330.0~~ ~~\$83.0~~ million during the ~~thirty-nine~~ ~~thirteen~~ weeks ended ~~June 3, 2023~~ December 2, 2023, compared to net ~~borrowings~~ ~~payments~~ of ~~\$4.5~~ ~~\$15.0~~ million during the ~~thirty-nine~~ ~~thirteen~~ weeks ended ~~May 28, 2022~~ December 3, 2022; and
- ~~\$31.1~~ million in aggregate repurchases of Class A Common Stock during the thirty-nine weeks ended June 3, 2023, compared to ~~\$4.9~~ million in aggregate repurchases of Class A Common Stock during the thirty-nine weeks ended May 28, 2022 December 3, 2022.

Capital Expenditures

We continue to invest in ~~sales productivity initiatives, eCommerce~~ ~~E-commerce~~ and vending platforms, customer fulfillment centers and distribution network, and other infrastructure and technology.

Long-Term Debt

Credit Facilities

In April 2017, the Company entered into a \$600.0 million revolving credit facility, which was subsequently amended and extended in August 2021. As of ~~June 3, 2023~~ December 2, 2023, the Company also had three uncommitted credit facilities, totaling \$203.0 million of aggregate maximum uncommitted availability. See Note 8, "Debt" in the Notes to Condensed Consolidated Financial Statements for more information about our credit facilities. As of ~~June 3, 2023~~ December 2, 2023, we were in compliance with the operating and financial covenants of our credit facilities. The current unused balance of ~~\$594.7 million~~ ~~\$474.7 million~~ from the revolving credit facility, which is reduced by outstanding letters of credit, is available for working capital purposes if necessary. See Note 8, 7, "Debt" in the Notes to Condensed Consolidated Financial Statements for more information about these balances.

Private Placement Debt and Shelf Facility Agreements

In July 2016, we completed the issuance and sale of unsecured senior notes. In January 2018, we entered into two note purchase and private shelf facility agreements (together, the "Shelf Facility Agreements"). In June 2018 and March 2020, we entered into additional note purchase agreements. Pursuant to the terms of the Shelf Facility Agreements, no new unsecured senior notes may be issued and sold after January 12, 2021. See Note 8, 7, "Debt" in the Notes to Condensed Consolidated Financial Statements for more information about these transactions.

Leases and Financing Arrangements

As of ~~June 3, 2023~~ December 2, 2023, certain of our operations were conducted on leased premises. These leases are for varying periods, the longest extending to fiscal year 2031. In addition, we are obligated under certain equipment and automobile operating and finance leases, which expire on varying dates through fiscal year ~~2026, 2029~~.

From time to time, we enter into financing arrangements with vendors to purchase certain information technology equipment or software.

Critical Accounting Estimates

On an ongoing basis, we evaluate our critical accounting policies and estimates, including those related to revenue recognition, inventory valuation, allowance for credit losses, warranty reserves, contingencies and litigation, income taxes, and accounting for goodwill and long-lived assets. We make estimates, judgments and assumptions in determining the amounts reported in the unaudited Condensed Consolidated Financial Statements and accompanying Notes. Estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. The estimates are used to form the basis for making judgments about the carrying values of assets and liabilities and the amount of revenues and expenses reported that are not readily apparent from other sources. Actual results may differ from these estimates.

There have been no material changes outside the ordinary course of business in the Company's critical accounting policies, as disclosed in its Annual Report on Form 10-K for the fiscal year ended ~~September 3, 2022~~ September 2, 2023.

Recently Adopted Accounting Standards

See Note 1, "Basis of Presentation" in the Notes to Condensed Consolidated Financial Statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For information regarding our exposure to certain market risks, see Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Interest Rate Risks" under Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" of Part II of our Annual Report on Form 10-K for the fiscal year ended **September 3, 2022** **September 2, 2023**. Except as described in Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained elsewhere in this Report, there have been no significant changes in our financial instrument portfolio or interest rate risk since our **September 3, 2022** **September 2, 2023** fiscal year-end.

Item 4. Controls and Procedures **Procedures.**

Our senior management is responsible for establishing and maintaining a system of disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive officer or officers and principal financial officer or officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

In accordance with Exchange Act Rules 13a-15 and 15d-15, we carried out an evaluation, with the participation of our Chief Executive Officer and our Chief Financial Officer, as well as other key members of our management, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Report. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective, as of the end of the period covered by this Report, to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is (i) accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure and (ii) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) promulgated under the Exchange Act) during the fiscal quarter ended **June 3, 2023** **December 2, 2023** 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 **Proceedings.**

In the ordinary course of business, there are various claims, lawsuits and pending actions against the Company incidental to the operation of its business. Although the outcome of these matters, both individually and in aggregate, is currently not determinable, management does not expect that the ultimate costs to resolve these matters will have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity.

Item 1A. Risk Factors **Factors.**

In addition to the other information set forth in this Report, you should carefully consider the risks and the uncertainties discussed in Item 1A, "Risk Factors" of Part I of our Annual Report on Form 10-K for the fiscal year ended **September 3, 2022** **September 2, 2023**, which could materially affect our business, financial condition and/or operating results. **Except as set forth below, there** There have been no material changes in the Company's risk factors from those disclosed in our Annual Report on Form 10-K. The risks described below and the risks described in our Annual Report on Form 10-K are not the only risks facing the Company. Additional risks and uncertainties not currently known to us or that we currently deem to be not material also may materially and adversely affect our business, financial condition and/or operating results.

The failure to consummate the Reclassification could adversely affect the price of the Class A Common Stock; the Reclassification, if completed, may not benefit the Company or its shareholders; and the Company has incurred and will continue to incur substantial costs and expenses in connection with the Reclassification, which could have an adverse effect on its financial condition and results of operation.

Under the terms of the Reclassification Agreement, the Company's and the Jacobson/Gershwind family's obligation to consummate the Reclassification is subject to customary conditions, including, among others, the effectiveness of the Company's registration statement on Form S-4 and the approval of the Reclassification by the required majorities of the Company's shareholders. The Company cannot be certain that these conditions will be satisfied, and it is possible that the Reclassification Agreement may be terminated for failure to satisfy a condition precedent or for other reasons. Even if the Reclassification is completed, it may not result in an increase in shareholder value or improve the liquidity and marketability of the Company's securities. If the Reclassification is not viewed favorably by members of the investment community, it may cause a decrease in the value of the Class A Common Stock following the Reclassification and impair its liquidity and marketability. Furthermore, securities markets worldwide have recently experienced significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could cause a reduction in the market price and liquidity of shares of the Class A Common Stock following the Reclassification, particularly if the Reclassification is not viewed favorably by members of the investment community.

The Company has incurred, and will continue to incur, substantial non-recurring costs and expenses in connection with the negotiation and completion of the Reclassification. These costs and expenses, as well as other unanticipated costs and expenses, could have an adverse effect on the Company's financial condition and results of operation. Furthermore, the costs of defending any litigation or other proceeding that may arise relating to the Reclassification could be substantial. If the

Reclassification is not completed, the Company's businesses and results of operation may be adversely affected, including as follows: (i) the Company may experience negative reactions from the financial markets, including negative impacts on the market price of shares of Class A Common Stock and (ii) the Company will have expended substantial time and resources that could otherwise have been spent on existing businesses and the pursuit of other opportunities that could have been beneficial to the Company.

Item 2. Unregistered Sales of Equity Securities and Use of **Proceeds** **Proceeds**.

The following table sets forth repurchases by the Company of its outstanding shares of Class A Common Stock, which are listed on the New York Stock Exchange, during the thirteen-week period ended **June 3, 2023** December 2, 2023:

Issuer Purchases of Equity Securities

Period	Total Number of Shares		Total Number of Shares		Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs ⁽³⁾
	Purchased ⁽¹⁾	Average Price Paid Per Share ⁽²⁾	Purchased as Part of Publicly Announced	Plans or Programs	
3/5/23-4/4/23	409	\$ 84.26	—	—	4,369,279
4/5/23-5/4/23	255	\$ 90.12	—	—	4,369,279
5/5/23-6/3/23	85	\$ 92.41	—	—	4,369,279
Total	749		—	—	

Period	Total Number of Shares		Total Number of Shares		Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs ⁽³⁾
	Purchased ⁽¹⁾	Average Price Paid Per Share ⁽²⁾	Purchased as Part of Publicly Announced	Plans or Programs	
9/3/23-10/3/23	205,239	\$ 96.80	204,744	—	3,519,279
10/4/23-11/2/23	448,734	\$ 94.48	441,174	—	3,078,105
11/3/23-12/2/23	713,415	\$ 97.78	634,705	—	2,443,400
Total	1,367,388		—	1,280,623	

(1) During the thirteen weeks ended **June 3, 2023** December 2, 2023, 749 86,765 shares of Class A Common Stock were withheld by the Company as payment to satisfy our associates' tax withholding liability associated with our stock-based compensation program and are included in the total number of shares purchased.

(2) Activity is reported on a trade date basis.

(3) On June 29, 2021, In June 2021, the Board of Directors terminated the **MSC Stock Repurchase Plan**, which was established during fiscal year 1999, existing share repurchase plan and authorized a new share repurchase program plan (the "Share Repurchase Program" Plan") to purchase up to 5,000,000 shares of Class A Common Stock. There is no expiration date for the Share Repurchase Program. Plan. As of **June 3, 2023** December 2, 2023, the maximum number of shares of Class A Common Stock that may yet be repurchased under the Share Repurchase Program Plan was 4,369,279 2,443,400 shares.

Item 5. Other Information.

Insider Trading Arrangements

During the quarter ended December 2, 2023, none of our directors or officers (as defined in Rule 16a1(f) under the Exchange Act) adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" (as each term is defined in Item 408 of Regulation S-K).

Item 6. Exhibits

EXHIBIT INDEX

Exhibit No.	Description
3.1	<u>Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on October 5, 2023 (File No. 001-14130)).</u>
3.2	<u>Third Amended and Restated By-Laws of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed on October 5, 2023 (File No. 001-14130)).</u>
10.1	<u>Amendment No. 2 to Credit Registration Rights Agreement, dated as of May 31, 2023, by and between the Registrant and JPMorgan Chase Bank, N.A., as administrative agent.*</u>
10.2	<u>Reclassification Agreement, dated as of June 20, 2023 October 4, 2023, by and among the Registrant and the shareholders listed therein party thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on June 21, 2023 October 5, 2023 (File No. 001-14130)).</u>
10.2	<u>Form of Restricted Stock Unit Agreement for Executives under the MSC Industrial Direct Co., Inc. 2023 Omnibus Incentive Plan.*†</u>
10.3	<u>Form of Performance Share Unit Award Agreement for Executives under the MSC Industrial Direct Co., Inc. 2023 Omnibus Incentive Plan.*†</u>
10.4	<u>MSC Executive Severance Plan.*†</u>
10.5	<u>MSC Industrial Direct Co., Inc. Deferred Compensation Plan for Non-Executive Directors and Consultants.*†</u>
31.1	<u>Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*</u>
31.2	<u>Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*</u>
32.1	<u>Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**</u>
32.2	<u>Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**</u>
101.INS	Inline XBRL Instance Document.*
101.SCH	Inline XBRL Taxonomy Extension Schema Document.*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).*

* Filed herewith.

** Furnished herewith.

† Indicates a management contract or compensatory plan or arrangement.

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.

MSC INDUSTRIAL DIRECT CO., INC.
(Registrant)

Dated: **June 29, 2023** January 9, 2024

By: **/s/ ERIK GERSHWIND**

Erik Gershwind
President and Chief Executive Officer
(Principal Executive Officer)

Dated: **June 29, 2023** January 9, 2024

By: **/s/ KRISTEN ACTIS-GRANDE**

Kristen Actis-Grande
Executive Vice President and Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

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EXHIBIT 10.1
EXECUTION VERSION 10.2

AMENDMENT NO. 2 MSC INDUSTRIAL DIRECT CO., INC.
2023 OMNIBUS INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

AMENDMENT NO. 2, dated as of May 31, 2023 Participant: %%FIRST_NAME_MIDDLE_NAME_LAST_NAME%-%

RSUs Granted: %%TOTAL_SHARES_GRANTED,'999,999,999%-%

Grant Date: %%OPTION_DATE,'Month DD, YYYY%-%

This RESTRICTED STOCK UNIT AGREEMENT (this "Amendment" "Agreement"), is entered into on the date set forth on the signature page hereto, by and between MSC Industrial Direct Co., Inc. (the "Borrower" "Company") and JPMorgan Chase Bank, N.A., the above-named participant (the "Participant"). The Company and the Participant may hereinafter each be referred to as administrative agent (in such capacity, a "Party" and collectively as the "Parties."

WHEREAS, the Parties desire to enter into this Agreement for the purpose of establishing the terms and conditions of RSUs (as defined below) that have been granted to the Participant.

WITNESSETH:

WHEREAS, reference is made to the Credit Agreement, dated as of April 14, 2017 (as amended by Amendment No. 1, dated as of August 24, 2021, and as further amended, supplemented or otherwise modified from time to time prior to the date hereof, the "Credit Agreement"; the Credit Agreement as amended by this Amendment, the "Amended Credit Agreement"), among the Borrower, the Lenders and Issuing Lenders from time to time party thereto and the Administrative Agent;

WHEREAS, certain loans, commitments and/or other extensions of credit under the Credit Agreement incur or are permitted to incur interest, fees or other amounts based on the Eurodollar Rate in accordance with the terms of the Credit Agreement;

WHEREAS, the Administrative Agent and the Borrower have elected to trigger an Early Opt-In Election and pursuant to Section 3.6(b) of the Credit Agreement and the Administrative Agent has determined in accordance with the Credit Agreement that the Eurodollar Rate be replaced with the applicable Benchmark Replacement for all purposes under the Credit Agreement and any Loan Document and such changes shall become effective at and after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date this Amendment is provided to the Lenders (such time, the "Objection Deadline"), so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders; and

WHEREAS, pursuant to Section 3.6(d) of the Credit Agreement, the Administrative Agent has determined in accordance with the Credit Agreement that certain Benchmark Replacement Conforming Changes are necessary or advisable and such changes shall become effective without any further consent of any other party to the Credit Agreement or any other Loan Document.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants hereinafter and agreements set forth in this Agreement, and for other good and valuable consideration, the parties hereto receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

SECTION 1. Definitions. Unless otherwise Capitalized terms used but not defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them such terms in the Credit Company's 2023 Omnibus Incentive Plan (the "Plan").

2. Grant of Award. The Participant is hereby granted an Award (the "Award") of restricted stock units ("RSUs") issued under the Plan, evidencing the grant thereof by the Compensation Committee (the "Committee") of the Board of Directors of the Company on the grant date (the "Grant Date"), and the Participant hereby accepts the Award, in each case, on the terms and subject to the conditions set forth in this Agreement.

SECTION 2. 3. Existing Eurodollar Loans Vesting Dates. Notwithstanding anything Subject to Sections 7, 8, 9, 11 and 13 below, the contrary contained in this Amendment or the Amended Credit Agreement, each party hereto agrees that, as applicable percentage of the Amendment No. 2 Effective Date, all Eurodollar Loans (as defined in the Credit Agreement immediately prior to the effectiveness of this Amendment) outstanding RSUs shall vest on the Amendment No. 2 Effective Date immediately prior to giving effect to this Amendment shall continue to bear interest based upon the Eurodollar Rate (as defined in the Credit Agreement immediately prior to the effectiveness of this Amendment) until the expiration of the current Interest Period applicable to such Eurodollar Loans (at which time the Borrower shall elect to convert any such Eurodollar Loans to Term Benchmark Loans or ABR Loans each "Vesting Date" in accordance with Section 3.2 the following schedule, provided that the Participant remains an associate of, or in the service of, the Amended Credit Agreement; provided that, if no such election is made, such Eurodollar Loans shall be converted to ABR Loans at Company (or a Subsidiary) during the end of such Interest Period).

SECTION 3. Amendments to entire period commencing on the Credit Agreement. Effective as of Grant Date and ending on the Amendment No. 2 Effective Date (as defined below), the Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: **stricken text**) and to add the double-underlined text (indicated textually in the same manner as the following example:**double-underlined text**) as set forth in the pages of the Credit Agreement attached as Annex A hereto.

SECTION 4. Effectiveness. This Amendment shall become effective as of the date (the "Amendment No. 2 Effective Date") on which the following conditions have been satisfied: applicable Vesting Date:

(a) The Administrative Agent (or its counsel)

Vesting Date	Percentage of RSUs Vested
%%VEST_DATE_PERIOD1,'Month DD, YYYY'%-%	25%
%%VEST_DATE_PERIOD2,'Month DD, YYYY'%-%	50%
%%VEST_DATE_PERIOD3,'Month DD, YYYY'%-%	75%
%%VEST_DATE_PERIOD4,'Month DD, YYYY'%-%	100%

4. Settlement; Rights as a Shareholder. Upon vesting, each RSU shall be converted into the right to receive one (1) share of the Company's Class A Common Stock, par value \$0.001 per share (a "Share"), upon settlement. Settlement of vested RSUs shall be made

promptly following the date such RSUs shall have received a duly executed vested and completed counterpart hereof in any case within sixty (60) days following the date of vesting, provided that bears the signature of (i) the Borrower and (ii) the Administrative Agent.

(b) The Administrative Agent Participant shall not be permitted, directly or indirectly, to designate the year of settlement. Any fractional share upon vesting shall be used to satisfy the Company's withholding obligation.

Unless and until such time as Shares are issued in settlement of vested RSUs, the Participant shall have received, no ownership of the Shares allocated to the RSUs and, subject to the provisions of Section 5, shall have no rights as a shareholder with respect to such Shares. Upon settlement, the Company shall cause the Company's transfer agent to issue a certificate or certificates for the Shares in the name of the Participant, or to make a book entry record of such issuance, and the Participant shall thereupon have all rights as a shareholder with respect to such Shares, including the right to vote such Shares and to receive all dividends and other distributions paid with respect to such Shares. The Company may place on the certificates representing the Shares such legend or legends as the Company may deem appropriate and the Company may place a stop transfer order with respect to such Shares with the transfer agent(s) for the Shares.

5. Dividend Equivalents. Any dividends paid in cash on Shares prior to vesting of the RSUs shall be credited to the Participant as additional RSUs, as if the RSUs then held by the Objection Deadline, written notice Participant had been converted to Shares. The amount of objection such credit, which may be in whole and/or fractional RSUs (carried to three decimals), shall be determined based on the Fair Market Value of Shares on the date of payment of such dividend. All such additional RSUs credited to the applicable Benchmark Replacement from Lenders comprising the Required Lenders.

(c) The Lenders and the Administrative Agent Participant shall have received all fees required to be paid, and all expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel), on or before the Amendment No. 2 Effective Date.

SECTION 5. Representations and Warranties. The Borrower represents and warrants subject to the Lenders same vesting requirements applicable to the RSUs underlying the Award and Issuing Lenders and the Administrative Agent that as of the Amendment No. 2 Effective Date:

(a) This Amendment has been duly executed and delivered on behalf of the Borrower, and this Amendment and the Credit Agreement constitute a legal, valid and binding obligation of the Borrower, enforceable against each such Loan Party shall be settled in accordance with, its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting and at the enforcement time of, creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

(b) Each settlement of the representations and warranties made by any Loan Party in or vested RSUs pursuant to the Loan Documents are true and correct in all material respects on and as of Amendment No. 2 Effective Date as if made on and as of such date (except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date).

(c) No Default or Event of Default has occurred and is continuing this Agreement.

SECTION 6. Effect of this Amendment No Transfer.

(a) This Amendment is Award and the RSUs are non-transferable and may not intended to be nor shall it constitute, a novation of the Credit Agreement assigned, pledged or any other Loan Document. Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders or the Administrative Agent under the Credit Agreement or any other Loan Document, hypothecated and shall not alter, modify, amend be subject to execution, attachment or in similar process. Upon any way affect attempt to effect any such disposition, or upon the levy of any such process, the terms, conditions, obligations, covenants Award shall immediately become null and void and the RSUs shall be forfeited.

7. Termination of Employment or agreements contained in Provision of Services by Reason of Death, Disability or Retirement. If the Credit Agreement Participant's employment with or any other provision of services for the Credit Agreement Company and its Subsidiaries terminates by reason of death, Disability or Retirement (each, as defined below), the RSUs shall fully vest and any forfeiture restrictions on this Award shall lapse on the date of any other Loan Document, all such death, Disability or termination of which are ratified and affirmed in all respects and shall continue in full force and effect.

(b) On and after the Amendment No. 2 Effective Date, each reference in the Credit Agreement to "this Amendment", "hereunder", "hereof", "herein", or words employment by reason of like import, and each reference to the Credit Agreement in any other Loan Document shall be deemed a reference to the Amended Credit Agreement. This Amendment shall constitute a "Loan Document" for all Retirement. For purposes of this Agreement, "Disability" shall mean (as determined by the Credit Agreement and the other Loan Documents).

SECTION 7. Reaffirmation. The Borrower, on behalf of itself and each Subsidiary Guarantor, hereby confirms and agrees, with respect to each Loan Document to which the Borrower or such Subsidiary Guarantor is party to, that all of Committee in its obligations, liabilities and indebtedness under such Loan Documents shall remain in full force and effect on a continuous basis regardless of the effectiveness of this Amendment.

SECTION 8. General.

(a) **GOVERNING LAW.** THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. sole

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discretion) any mental or physical illness that would qualify the Participant for a disability under any long-term disability plan maintained by the Company or any Subsidiary that is applicable to such Participant, provided that if necessary for the Award to satisfy Section 409A of the Code, a "Disability" must also be a disability within the meaning of Section 409A; and "Retirement" shall mean termination of employment or provision of services without Cause (as defined below), death or Disability on or after age sixty-five (65) with five (5) years of service.

(b) 8. **Costs and Expenses Other Termination of Employment or Provision of Services.** The Borrower agrees If the Participant's employment or provision of services (including as a Non-Executive Director) is terminated for any reason other than death, Disability or Retirement, this Award and the RSUs represented by this Award that have not yet vested as of such date shall be forfeited to reimburse the Administrative Agent for its reasonable out-of-pocket expenses in connection with this Amendment, including the reasonable fees, charges Company forthwith and disbursements of Simpson Thacher & Bartlett LLP, primary counsel for the Administrative Agent.

(c) **Counterparts.** This Amendment may be executed by one or more all rights of the parties to Participant under this Amendment on Award and such unvested RSUs represented by this Award shall immediately terminate. For purposes of this Award, the termination date shall be the last day of employment or provision of services and shall not be extended by any number actual or deemed period of separate counterparts, and all notice of said counterparts taken together termination, whether under statute, common law, contract or otherwise. For purposes of this Award, the Participant's employment or provision of services shall be deemed to constitute one and have terminated if the same instrument. Delivery of an executed signature page of this Amendment by email entity for which the Participant is employed or facsimile transmission (or other electronic transmission) shall providing services ceases to be effective as delivery of a manually executed counterpart hereof. The words "execution," "signed," "signature," and words of like import in this Amendment shall Subsidiary. In addition, the Participant's employment or service will be deemed to include electronic signatures have terminated for Cause, if after the Participant's employment or service has terminated, facts and circumstances are discovered that would have justified a termination for Cause (and any Shares that may have been issued upon settlement of vested RSUs after the keeping occurrence of records the conduct that would have justified a termination for Cause shall be subject to recoupment by the Company, and if such Shares are no longer held by the Participant, then the Participant shall pay to the Company a sum equal to the Fair Market Value of the Shares at the time such Shares were issued). Any determination of Cause shall be made by the Committee, in electronic form, each its sole discretion. For purposes of this Agreement (other than for purposes of determinations made under Article 11 of the Plan), "Cause" shall mean (i) the willful and continued failure by the Participant to substantially perform his or her duties with the Company and its Subsidiaries (other than any such failure resulting from his or her incapacity due to physical or mental illness), (ii) the engaging by the Participant in conduct which is demonstrably and materially injurious to the Company or its Subsidiaries, monetarily or otherwise, (iii) the engaging by the Participant in fraud, breach of fiduciary duty, dishonesty, misappropriation or other actions that cause damage to the property or business of the Company or its Subsidiaries, or (iv) the Participant's conviction of, or entering a plea of *nolo contendere* to, a felony.

9. **Withholding Taxes.** No later than the date as of which an amount first becomes includable in the gross income of the Participant for income tax purposes with respect to the Award granted hereunder, the Participant shall make arrangements satisfactory to the Company regarding the payment of any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount and by acceptance of this Award, the Participant has agreed to and hereby does, instruct the Company to satisfy the Company's minimum statutory withholding obligations with Shares that are to be delivered upon settlement of the RSUs. Notwithstanding any provision herein to the contrary, in the event an Award becomes subject to FICA taxes at a time when the Award would not otherwise vest pursuant to Section 3, the Company shall (and without providing the Participant with an election) settle a sufficient number of RSUs determined based on the Fair Market Value on the date of settlement that does not exceed the applicable minimum statutory withholding tax obligation with respect to such FICA taxes and any federal, state or local income taxes that may apply as a result of such accelerated settlement of RSUs and the Company shall withhold such amounts to satisfy such FICA and any related income tax liability; provided, however, that any such accelerated settlement of RSUs shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, made only to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act, permitted under Treasury Regulations section 1.409A-3(j)(4)(vi).

(d) **Headings.** The headings obligations of this Amendment are used for convenience of reference only, are not part of this Amendment the Company under the Plan shall be conditional on such payment arrangements, and the Company and its Subsidiaries shall, not affect to the construction of, or be taken into consideration in interpreting, this Amendment.

[remainder of page intentionally left blank] extent permitted by law, have the

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective duly authorized officers as of the day and year first above written.

MSC INDUSTRIAL DIRECT CO., INC.
as the Borrower

By: /s/ KRISTEN ACTIS-GRANDE
Name: Kristen Actis-Grande
Title: EVP, CFO

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JPMORGAN CHASE BANK, N.A. right to deduct any such taxes from any payment otherwise due to the Participant. The Committee may establish such procedures as it deems appropriate for the settlement of withholding obligations with Shares. , as The Participant should consult his or her own tax advisor for more information concerning the Administrative Agent tax consequences of the grant and settlement of RSUs under this Agreement.

By: 10. /s/ JONATHAN BENNETT

Death of Participant Name: Jonathan Bennett

Title: Managing Director. If any of the RSUs shall vest upon the death of the Participant, any Shares to be delivered upon settlement shall be registered in the name of the estate of the Participant unless the Company shall have theretofore received in writing a beneficiary designation, in which event they shall be registered in the name of the designated beneficiary.

11. Special Forfeiture and Repayment Provisions.

(a) If the Participant, while providing services to the Company or any Subsidiary, or after cessation of such service, violates a confidentiality, non-competition or non-solicitation covenant or agreement, as determined by the Committee in its sole discretion, then (i) this Award and the RSUs represented by this Award that have not yet vested as of such date shall be forfeited to the Company forthwith and all rights of the Participant under this Award and such unvested RSUs represented by this Award shall immediately terminate, and (ii) if any RSUs have vested within the twelve (12)-month period immediately preceding the date of the earliest violation by the Participant (or following the date of the earliest violation), then, upon the Company's demand, the Participant shall immediately deliver to the Company certificate(s) for the number of Shares delivered upon settlement of such RSUs or, if any shares have been sold, the Participant shall immediately remit to the Company, in cash, the proceeds of any such sale(s). Notwithstanding the foregoing, in the event of a Change in Control, the Company's right to cancel the Award or to require forfeiture or repayment, as provided above, shall terminate without prejudice to any rights that the Company otherwise may have under applicable law.

(b) The Participant hereby acknowledges and agrees that the restrictions contained in this Section 11 are being made for the benefit of the Company in consideration of the Participant's receipt of the Award. The Participant further acknowledges and agrees that the receipt of the Award is a voluntary action on the part of the Participant and that the Company is unwilling to provide the Award to the Participant without including the restrictions contained herein.

(c) The Participant hereby consents to a deduction from, and set-off against, any amounts owed to the Participant by the Company or its Subsidiaries from time to time to the extent of any amounts owed to the Company by the Participant hereunder.

(d) The forfeiture and repayment provisions of this Award are in addition to, and not in lieu of, any other remedies that the Company may have in the event of a violation by the Participant of any confidentiality, non-competition or non-solicitation covenant in any agreement between the Participant and the Company or any of its Subsidiaries.

12. Incentive Compensation Recoupment Policy. The Participant hereby further agrees that the Participant shall be subject to any clawback, recoupment or other similar policy that the Company adopts, including the Company's Executive Incentive Compensation Recoupment Policy, and acknowledges and agrees that the Award, the Shares issued and/or amounts paid or to be paid hereunder and/or amounts received with respect to any sale of such Shares, shall be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of such policy. The Participant agrees and consents to the Company's application, implementation and enforcement of (i) any such policy established by the Company that may apply to the Participant and (ii) any provision of applicable law relating to cancellation, recoupment, rescission or payback of compensation, and expressly agrees that the Company may take such actions as are necessary to effectuate such policy or applicable law without further

[Signature Page to Amendment No. 2] -4-

consent or action being required by the Participant. To the extent that the terms of this Agreement and such policy conflict, then the terms of such policy shall prevail.

13. Change in Control. The provisions of the Plan applicable to a Change in Control shall apply to this Award, and the Committee may take such actions as it deems appropriate pursuant to the Plan.

14. Nature of Grant. In accepting this Award, the Participant acknowledges and agrees that:

(a) the Plan is established voluntarily by the Company, is discretionary in nature and may be amended, suspended or terminated by the Company at any time;

(b) the grant of this Award is voluntary and occasional and does not create any contractual or other right to receive future grants of Awards, or benefits in lieu of Awards, even if Awards have been granted repeatedly in the past;

(c) all decisions with respect to future grants of Awards, if any, will be at the sole discretion of the Company;

(d) the Participant's participation in the Plan is voluntary;

(e) the Participant's participation in the Plan shall not create a right to further employment with the Company or any Subsidiary and shall not interfere with the ability of the Company or any Subsidiary to terminate the Participant's employment relationship at any time;

(f) this Award is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or any Subsidiary and is outside the scope of the Participant's employment or service contract, if any;

(g) the future value of the Shares underlying this Award is unknown and cannot be predicted with certainty;

(h) no claim or entitlement to compensation or damages shall arise from the forfeiture of unvested RSUs under the Award resulting from the Participant's termination of service (for any reason whatsoever and whether or not in breach of local labor laws), and in consideration of this Award to which the Participant is otherwise not entitled, the Participant irrevocably agrees never to institute any claim against the Company and/or any Subsidiary, waives the Participant's ability, if any, to bring any such claim, and releases the Company and/or any Subsidiary from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims; and

(i) for a Participant residing outside of the United States:

(A) this Award and any Shares acquired under the Plan are not intended to replace any pension rights or compensation;

(B) this Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, dismissal, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to past services for the Company or any Subsidiary; and

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Annex A(C) in the event of the Participant's termination of service (whether or not in breach of local labor laws), the Participant's right to vest under the Plan, if any, will terminate effective as of the date of termination of service; and the Committee shall have the exclusive discretion to determine when the Participant is no longer actively providing service for purposes of this Award.

[See attached.]15. Effect of Amendment of Plan; Amendment of Agreement. No discontinuation, modification or amendment of the Plan may, without the express written consent of the Participant, adversely affect the rights of the Participant under this Award, except as expressly provided under the Plan.

This Agreement may be amended as provided under the Plan, but except as provided thereunder any such amendment shall not adversely affect Participant's rights hereunder without Participant's consent.

16. No Limitation on Rights of the Company; Adjustment of Award. The grant of this Award shall not in any way affect the right or power of the Company to make adjustments, reclassifications or changes in its capital or business structure or to merge, consolidate, dissolve, liquidate, sell, or transfer all or any part of its business or assets. The number and kind of shares subject to this Award and other related terms shall be adjusted by the Committee in accordance with Section 12.2 of the Plan.

17. Compliance with Applicable Law. Notwithstanding anything herein to the contrary, the Company shall not be obligated to issue or deliver or cause to be issued or delivered any certificates for Shares, unless and until the Company is advised by its counsel that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authority, and the requirements of any exchange upon which Shares are traded. The Company shall in no event be obligated to register any securities pursuant to the Securities Act of 1933 (as now in effect or as hereafter amended) or to take any other action in order to cause the issuance and delivery of such certificates to comply with any such law, regulation or requirement. The Company may require, as a condition of the issuance and delivery of such certificates and in order to ensure compliance with such laws, regulations, and requirements, that the Participant makes such covenants, agreements, and representations as the Company, in its sole discretion, considers necessary or desirable.

18. Agreement Not a Contract of Employment or Other Relationship. This Agreement is not a contract of employment, and the terms of employment of the Participant or other relationship of the Participant with the Company or any of its Subsidiaries shall not be affected in any way by this Agreement except as specifically provided herein. The execution of this Agreement shall not be construed as conferring any legal rights upon the Participant for a continuation of an employment or other relationship with the Company or any of its Subsidiaries, nor shall it interfere with the right of the Company or any of its Subsidiaries to discharge the Participant and to treat him or her without regard to the effect which such treatment might have upon him or her as a Participant.

19. Data Privacy. As a condition of acceptance of this Award, the Participant explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of personal data as described in this Section 19 by and among, as applicable, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that the Company and its Subsidiaries hold certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company or any Subsidiary, and details of all Awards or any other entitlement to Shares awarded,

canceled, exercised, vested, unvested or outstanding in the Participant's favor (the "Data"), for the purpose of implementing, managing and administering the Plan. The Participant further understands that the Company and its Subsidiaries may transfer the Data amongst themselves as necessary for the purpose of implementation, management and administration of the Participant's participation in the Plan, and that the Company and its Subsidiaries may each further transfer the Data to any third parties assisting the Company in the implementation, management and administration of the Plan. The Participant understands that these recipients may be located in the Participant's country, or elsewhere, and that the recipient's country may have different data privacy laws and protections than the Participant's country. The Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Participant, through participation in the Plan and

acceptance of an Award under the Plan, authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, managing and administering the Participant's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Participant may elect to deposit any Shares. The Participant understands that the Data will be held only as long as is necessary to implement, manage and administer the Participant's participation in the Plan. The Participant understands that if he or she resides outside of the United States, he or she may, at any time, view the Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data, or refuse or withdraw the consents herein in writing, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, the Participant's employment status and position with the Company or its Subsidiary will not be affected; the only adverse consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant the Participant Awards or administer or maintain such Awards. Therefore, the Participant understands that refusing or withdrawing the Participant's consent may affect his or her ability to participate in the Plan. For more information on the consequences of refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

20. Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally or sent by certified, registered or express mail, postage prepaid, return receipt requested, or by a reputable overnight delivery service. Any such notice shall be deemed given when received by the intended recipient.

21. Governing Law. Except to the extent preempted by Federal law, this Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of New York without regard to any principles thereof relating to the conflicts of laws that would result in the application of the laws of any other jurisdiction. The Parties agree that the state and federal courts located in the State of New York, County of Suffolk, shall have exclusive jurisdiction in any action, suit or proceeding based on or arising out of this Agreement and the Parties hereby: (a) submit to the personal jurisdiction of such courts; (b) consent to service of process in connection with any action, suit or proceeding; (c) agree that venue is proper and convenient in such forum; (d) waive any other requirement (whether imposed by statute, rule of court or otherwise) with respect to personal jurisdiction, subject matter jurisdiction, venue or service of process; and (e) waive the right, if any, to a jury trial.

22. Acknowledgment; Interpretation of Agreement and Plan. The Participant acknowledges receipt of a copy of the Plan, and represents that the Participant is familiar with the terms and provisions thereof, and hereby accepts this Award subject to all the terms and provisions of this Agreement and of the Plan. The Participant hereby agrees to accept as binding, conclusive

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and final all decisions or interpretations of the Committee with respect to any questions arising under this Agreement or the Plan.

23. Entire Agreement. The Plan and this Agreement constitute the entire agreement and understanding of the Parties with respect to the subject matter of this Agreement, and supersede all prior understandings and agreements, whether oral or written, between the Parties hereto with respect to the specific subject matter hereof. To the extent any provisions of the Agreement are inconsistent or in conflict with any terms or provisions of the Plan, the Plan shall govern.

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I have read, understand and agree to abide by the terms of this Agreement, the Plan and the most recently executed Associate Confidentiality, Non-Solicitation and Non-Competition Agreement that I entered into with the Company (the "Associate Agreement"). By checking the box labeled "I Agree," or by otherwise electronically indicating my acceptance of this Agreement, I hereby acknowledge that the grant of the RSUs pursuant to this Agreement is consideration for my entering into and complying with the Associate Agreement. I understand this Agreement, the Plan and the Associate Agreement in all respects and the terms and conditions of the RSUs granted to me.

FOR MSC INDUSTRIAL DIRECT CO., INC. USE ONLY

ACCEPTED BY MSC INDUSTRIAL DIRECT CO., INC.

By: Neal Dongre, Vice President, General Counsel & Corporate Secretary
/s/ Neal Dongre

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ANNEX A EXHIBIT 10.3

\$600,000,000

CREDIT AGREEMENT

among

MSC INDUSTRIAL DIRECT CO., INC.,
as Borrower, 2023 OMNIBUS INCENTIVE PLAN
The Several Lenders from Time to Time Parties Hereto,
KEYBANK NATIONAL ASSOCIATION
and
REGIONS BANK,
as Co-Documentation Agents,

BANK OF AMERICA, N.A.,
WELLS FARGO BANK, NATIONAL ASSOCIATION
and
U.S. BANK NATIONAL ASSOCIATION,
as Co-Syndication Agents,

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

Dated as of April 14, 2017 PERFORMANCE SHARE UNIT AWARD AGREEMENT

as amended Participant: %%FIRST_NAME_MIDDLE_NAME_LAST_NAME%-%

Target Shares: %%TOTAL_SHARES_GRANTED,'999,999,999%-%

Grant Date: November 3, 2023

Performance Period: Fiscal Year 2024 – Fiscal Year 2026

This PERFORMANCE SHARE UNIT AWARD AGREEMENT (this "Award Agreement") is entered into by Amendment No. 1, dated as of August 24, 2021 and between MSC Industrial Direct Co., and Amendment No. 2, dated as of May 31, 2023

JPMORGAN CHASE BANK, N.A.,
BANK OF AMERICA, N.A.,
WELLS FARGO BANK, NATIONAL ASSOCIATION
and
U.S. BANK NATIONAL ASSOCIATION,
as Joint Lead Arrangers and Joint Bookrunners

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- A Form of Guarantee
- B Form of Compliance Certificate
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CREDIT AGREEMENT, dated as of April 14, 2017 (as amended by Amendment No. 1, dated as of August 24, 2021, [and Amendment No. 2, dated as of May 31, 2023](#), this "Agreement"), among MSC INDUSTRIAL DIRECT CO., INC., a New York corporation [Inc.](#) (the "Borrower"), the several banks and other financial institutions or entities from time to time parties to this Agreement (the "Lenders" "Company") and [JPMORGAN CHASE BANK, N.A.](#) the above-named participant (the "Participant"). The Company and the Participant may hereinafter each be referred to as a "Party" and collectively as the "Parties."

WHEREAS, the Company has agreed to grant to the Participant an Award of Performance Share Units (each, as defined below), as Administrative Agent, subject to the terms and conditions set forth in this Award Agreement.

The parties hereto **NOW, THEREFORE**, in consideration of the foregoing premises and the mutual covenants and agreements set forth in this Award Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

SECTION 1. DEFINITIONS

1.1. 1. Defined Terms **Definitions.** Capitalized terms used but not defined herein shall have the meanings given to such terms in the Company's 2023 Omnibus Incentive Plan (the "Plan"). As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1, herein:

(a) "**ABR Average Adjusted Invested Capital**": for any day, means a rate per annum equal thirteen (13)-month average of the sum of (i) the Company's generally accepted accounting principles (GAAP) shareholders' equity and (ii) the total interest-bearing debt less cash and cash equivalents, subject to the greatest of (a) the Prime Rate adjustments as provided in effect on such day, Section 5.

(b) the New York Fed Bank Rate in effect on such day plus ½ of 1% and (c) the **Eurodollar "Adjusted Term SOFR Net Operating Profit After Taxes Rate"** for a one month Interest Period fiscal year shall mean the Company's income from operations less provision for income taxes associated with its operating profit as determined under generally accepted accounting principles, subject to adjustments as provided in Section 5.

(c) **on as published two U.S. Government Securities Business Days prior to** such day (or if such day is not a **U.S. Government Securities Business Day**, the immediately preceding **U.S. Government Securities Business Day**) plus 1%; provided that for the purpose of this definition, the **Eurodollar "Adjusted Term SOFR Return on Invested Capital (ROIC) Rate"** for any day a fiscal year shall be based mean the Company's Adjusted Net Operating Profit After Taxes divided by Average Adjusted Invested Capital.

(d) "**Average Adjusted ROIC**" shall mean the sum of the Adjusted Return on Invested Capital (ROIC) for each of the **Screen Rate (or if the Screen Rate is not available for such one month Interest Period, the Interpolated Rate)** Term SOFR Reference Rate at approximately **11:00 a.m. London** 5:00 a.m. Chicago time on such day **(or any amended publication time for the Term SOFR Reference Rate, as specified by the CME Term SOFR Administrator three (3) fiscal years in the Term SOFR Reference Rate methodology)** Performance Period divided by three (3). Any change in the ABR due to a change in the Prime Rate, the New York Fed Bank Rate or the **Eurodollar "Adjusted Term SOFR Rate** shall be effective from and including the effective date of such change in the Prime Rate, the New York Fed Bank Rate or the **Eurodollar "Adjusted Term SOFR Rate**, respectively. If the ABR is being used as an alternate rate of interest pursuant to Section 3.6 (for the avoidance of doubt, only until the Benchmark Replacement has been determined pursuant to Section 3.6(b)), then the ABR shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the ABR as determined pursuant to the foregoing would be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement.

(e) "**ABR Loans Award**": Loans the rate of interest applicable to which is based upon the ABR.

"**Adjusted Daily Simple SOFR**": an interest rate per annum equal to (a) the Daily Simple SOFR, plus (b) 0.11448%; provided that if the **Adjusted Daily Simple SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement**.

"**Adjusted Term SOFR Rate**": for any Interest Period, an interest rate per annum equal to (a) the **Term SOFR Rate for such Interest Period**, plus (b) in the case of an **Interest Period of (1) one month, 0.11448%, (2) three months, 0.26161% and (3) six months, 0.42826%**; provided that if the **Adjusted Term SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement**.

"**Administrative Agent**": JPMorgan Chase Bank, N.A., together with its affiliates, as an arranger of the Commitments and as the administrative agent for the Lenders under this Agreement and the other Loan Documents, together with any of its successors.

"**Affiliate**": as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person, whether by the ability to exercise voting power, contract or otherwise.

"**Agents**": the collective reference to the Co-Syndication Agents, the Co-Documentation Agents and the Administrative Agent. Performance Share Unit Award hereby granted.

"(f)Aggregate Exposure": with respect to any Lender at any time, an amount equal to (a) until the Closing Date, the aggregate amount of such Lender's Commitments at such time and (b) thereafter, the sum of (i) the aggregate then unpaid principal amount of such Lender's Incremental Term Loans and (ii) the amount of such Lender's Revolving Commitment then in effect or, if the Revolving Commitments have been terminated, the amount of such Lender's Revolving Extensions of Credit then outstanding.

"Aggregate Exposure Percentage": with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender's Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time.

"Agreement": as defined in the preamble hereto.

"Applicable Margin": for each Type of Loan, the rate per annum determined pursuant to the Pricing Grid.

"Application": an application, in such form as each Issuing Lender may specify from time to time, requesting such Issuing Lender to open a Letter of Credit.

"Approved Fund": as defined in Section 10.6(b).

"Amendment No. 1": that certain Amendment No. 1, dated as of August 24, 2021, by and among the Borrower, the other Loan Parties party thereto, the Administrative Agent and the Lenders party thereto.

"Amendment No. 1 Effective Grant Date" means August 24, 2021.

"Amendment No. 2": that certain Amendment No. 2, dated as of May 31, 2023, between the Borrower and the Administrative Agent.

"Ancillary Document": as defined in Section 10.8.

"Anti-Corruption Laws": all laws, rules and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery or corruption.

"Assignee": as defined in Section 10.6(b).

"Assignment and Assumption": an Assignment and Assumption, substantially in the form of Exhibit D.

"Available Revolving Commitment": as to any Revolving Lender at any time, an amount equal to the excess, if any, of (a) such Lender's Revolving Commitment then in effect over (b) such Lender's Revolving Extensions of Credit then outstanding.

"Available Tenor": as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark (or component thereof) or payment period for interest calculated with reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an Interest Period for any term rate or otherwise, for determining any frequency of making payments of interest calculated 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 "Interest Period" pursuant to clause (f) of Section 3.6.

"Bail-In Action": the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation": (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European

Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bankruptcy Event": with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or

indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, so long as such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

Benchmark: initially, Eurodollar Base~~the Adjusted Term SOFR~~ Rate; provided that if a Benchmark Transition Event~~mean November 3, 2023, a Term SOFR Transition Event or an Early Opt in Election, as applicable,~~ and its related Benchmark Replacement Date have occurred with respect to Eurodollar Base~~the Adjusted Term SOFR~~ Rate 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 clause (b) ~~or clause (c)~~ of Section 3.6.

Benchmark Replacement: for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent 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) Adjusted 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 Administrative Agent and the Borrower 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 as a replacement for the then-current Benchmark for dollar-denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment.

~~provided that, 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 Administrative Agent in its reasonable discretion; provided further that, notwithstanding anything to the contrary in this Agreement or in any other Loan Document, upon the occurrence of a Term SOFR Transition Event, and the delivery of a Term SOFR Notice, on the applicable Benchmark Replacement Date the "Benchmark Replacement" shall revert to and shall be deemed to be the sum of (a) Term SOFR and (b) the related Benchmark Replacement Adjustment, as set forth in clause (1) of this definition (subject to the first proviso above).~~

If the Benchmark Replacement as determined pursuant to clause (1)~~or (2) or (3)~~ above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

Benchmark Replacement Adjustment: with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted 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 (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 Administrative Agent:~~

~~(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 Interest Period 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 Interest Period 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 Administrative Agent and the Borrower 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 such Benchmark with the applicable Unadjusted Benchmark Replacement 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 the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for dollar-denominated syndicated credit facilities;~~

~~provided that, 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 Administrative Agent in its reasonable discretion.~~

"Benchmark Replacement Conforming Changes": with respect to any Benchmark Replacement ~~and/or any Term Benchmark Loan~~, any technical, administrative or operational changes (including changes to the definition of "ABR," the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing 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 Administrative Agent reasonably decides may be appropriate to reflect the adoption and implementation of such Benchmark ~~Replacement~~ and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent reasonably decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent reasonably determines that no market practice for the administration of such Benchmark ~~Replacement~~ exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Benchmark Replacement Date": the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the ~~administrator~~ Company granted the Award to the Participant pursuant to the Plan.

(g) **"Performance Criteria"**means the performance criteria established by the Committee (as defined below) and as set forth in Section 4.

(h) **"Performance Period"** shall mean the Company's three (3) consecutive fiscal years commencing with the fiscal year beginning September 3, 2023.

(i) **"Performance Share Unit"** shall mean a bookkeeping entry that records the equivalent of ~~such Benchmark (or one (1) share of the published component used~~ Company's Class A Common Stock, par value \$0.001 per share.

(j) **"Performance Share Unit Target"** means the target number of Performance Share Units that may be earned by the Participant pursuant to this Award Agreement set forth earlier in this Award Agreement.

(k) **"Qualifying Termination"** means a Qualifying Termination as defined in the ~~calculation thereof~~ permanently Company's Executive Severance Plan.

(l) **"Retirement"** shall mean any voluntary termination by the Participant as an associate of the Company (or any Subsidiary) after reaching age fifty-five (55), where the Participant's age plus years of continuous employment with the Company or ~~indefinitely ceases its~~ Subsidiaries equals at least sixty-five (65).

(m) **"Vesting Date"** shall mean the date on the third anniversary of the Grant Date.

2. **Grant of Award**. The Participant is hereby granted an Award of Performance Share Units under the Plan, evidencing the grant thereof by the Compensation Committee (the "Committee") of the Board of Directors of the Company on the Grant Date, and the Participant hereby accepts the Award, in each case, on the terms and subject to ~~provide all Available Tenors~~ the conditions set forth in this Award Agreement. The target number of such Benchmark Shares subject to this Award is the Performance Share Unit Target.

3. **Vesting**. Subject to Sections 9, 10, 11, 13, 14 and 15 below, provided that the Participant remains an associate of, or in the service of, the Company (or ~~such component thereof~~; a Subsidiary) during the entire period commencing on the Grant Date and ending on the Vesting Date, the Participant shall be eligible to earn the applicable percentage of the Performance Share Unit Target based upon the achievement of the Performance Criteria as set forth in Section 4.

4. **or Performance Criteria**. Performance Share Units may be earned upon achievement of the Average Adjusted ROIC for the Performance Period, in accordance with the following schedule. The Committee will certify Average Adjusted ROIC and determine the level of any earned Performance Share Units as soon as administratively practical after the Performance Period, but not later than the ninetieth (90th) day following the end of the Performance Period.

	Average Adjusted ROIC	Percentage of Performance Share Target Earned
Below Threshold:	Less than 17.6%	0%
Threshold:	17.6%	50%
Target:	19.7%	100%
Maximum:	23.9% or above	200%

(2) in the case of clause (3)

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The percentage of the definition of "Benchmark Transition Event," the ~~first date of the public~~ on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor Performance Share Target earned for the administrator of such Benchmark (or such component thereof) to be no longer representative; provided, that such non-representativeness will result between performance levels shall be determined by reference straight line interpolation with the number of Performance Share Units earned rounded down to the most recent nearest whole number. Any Performance Share Units that are not earned in accordance with this Section 4 shall be forfeited.

5. ~~statement~~ Adjustments. The Committee shall have discretion to make such adjustments to the computation of Average Adjusted Invested Capital and Adjusted Net Operating Profit After Taxes as it deems appropriate to reflect the impact of items that are not indicative of ongoing operating results, including changes in accounting principles, litigation (recoveries and charges), restructurings and severance, regulatory changes, natural disasters, acquisitions or publication dispositions, other exceptional items not reflective of information referenced ~~herein~~ or in such clause (c) operational performance (operating performance includes both income and even if any Available Tenor expense related items that are directly correlated with the operating profit of such Benchmark (or such component thereof) continues to be provided on such date, the underlying business operations), and appropriate adjustments for fifty-three (53)-week fiscal years.

(3)6. ~~Settlement: Rights as a Shareholder.~~ Upon vesting as provided in Section 3 and subject to achievement of the case Performance Criteria as provided in Section 4 or as otherwise provided in this Award Agreement, each Performance Share Unit shall be converted into the right to receive one Share upon settlement. Settlement of a Term SOFR Transition Event, vested Performance Share Units shall be made promptly following the date that is thirty (30) such Performance Share Units are earned and in any case within sixty (60) days after following the date a Term SOFR Notice is of certification by the Committee as provided in Section 4, provided that the Participant shall not be permitted, directly or indirectly, to designate the year of settlement. Any fractional share upon vesting shall be used to satisfy the Company's withholding obligation.

~~Unless and until such time as Shares are issued in settlement of vested Performance Share Units, the Participant shall have no ownership of the Shares allocated to the Lenders Performance Share Units and, the Borrower pursuant to Section 3.6(c); 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 subject to the Lenders, so long provisions of Section 7, shall have no rights as the Administrative Agent 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 Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.~~

~~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) a shareholder with respect to any Benchmark upon such Shares. Upon settlement, the occurrence Company shall cause the Company's transfer agent to issue a certificate or certificates for the Shares in the name of the applicable event Participant, or events set forth therein to make a book entry record of such issuance, and the Participant shall thereupon have all rights as a shareholder with respect to such Shares, including the right to vote such Shares and to receive all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).~~

"Benchmark Transition Event": the occurrence of one or more of the following events dividends and other distributions paid with respect to such Shares. The Company may place on the then-current Benchmark:certificates representing the Shares such legend or legends as the Company may deem appropriate and the Company may place a stop transfer order with respect to such Shares with the transfer agent(s) for the Shares.

(1) a public statement or publication of information by or 7. Dividend Equivalents. Any dividends paid in cash on behalf of Shares prior to vesting of the administrator Performance Share Units shall be credited to the Participant as additional Performance Share Units, as if the Performance Share Units then held by the Participant had been converted to Shares. The amount of such Benchmark (or credit, which may be in whole and/or fractional Performance Share Units (carried to three decimals), shall be determined based on the published component used in Fair Market Value of Shares on the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors date of payment of such Benchmark (or dividend. All such component thereof), permanently or indefinitely, provided that, additional Performance Share Units credited to the Participant shall be subject to the same vesting and performance requirements applicable to the Performance Share Units underlying the Award as set forth in Sections 3 and 4, and shall be settled in accordance with, and at the time of, settlement of vested Performance Share Units pursuant to this Award Agreement.

8. No Transfer. This Award and the Performance Share Units are non-transferable and may not be assigned, pledged or hypothecated and shall not be subject to execution, attachment or similar process. Upon any attempt to effect any such statement disposition, or publication, there is no successor administrator that will continue to provide upon the levy of any Available Tenor such process, the Award shall immediately become null and void and the Performance Share Units shall be forfeited.

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9. Termination of Employment or Provision of Services by Reason of Death, Disability, Retirement or a Qualifying Termination. If the Participant's employment with or provision of services for the Company and its Subsidiaries terminates by reason of death or Disability (as defined below), this Award shall fully vest, any forfeiture restrictions on this Award shall lapse on the date of such Benchmark death or Disability, the Participant (or such component thereof);

(2) a public statement or publication the Participant's estate) shall be entitled to receive the full number of information Performance Share Units that otherwise would have been earned by the regulatory supervisor for Participant if the administrator Participant's employment or provision of such Benchmark (or services had not terminated prior to the published component used in the calculation thereof), the Federal Reserve Board, the New York Fed, the CME Term SOFR Administrator, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide 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 any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, 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).

"Benchmark Unavailability Period": the period (if any) (x) beginning at the time that a Benchmark Replacement Vesting Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes

hereunder and under any Loan Document determined in accordance with Section 3.64, and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.6.

"Beneficial Ownership Certification": a certification regarding beneficial ownership or control settlement shall be made as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation": 31 C.F.R. § 1010.230.

"Benefitted Lender": as defined provided in Section 10.7(a).

"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.

"Board": the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Borrower": as defined in the preamble hereto.

"Borrowing Date": any Business Day specified by the Borrower as a date on which the Borrower requests the relevant Lenders to make Loans hereunder.

"Business": as defined in Section 4.17(b).

"Business Day": a day (other than a Saturday, or Sunday, or other day) on which commercial banks are open for business in New York City, are authorized or required by law to close, provided, that with respect to notices and determinations in connection with, and payments of principal and interest on, Eurodollar Loans, such day is also a day for trading by and between banks in Dollar deposits in the interbank eurodollar market, provided that, in addition to the foregoing, a Business Day shall be, in relation to Term Benchmark Loans (or, solely to the extent applicable following a Benchmark Replacement or otherwise pursuant to Section 3.6, RFR Loans) and any interest rate settings, fundings, disbursements, settlements, payments or other dealings of Term Benchmark Loans (or, solely to the extent applicable following a Benchmark Replacement or otherwise pursuant to Section 3.6, RFR Loans), any such day that is a U.S. Government Securities Business Day.

"Capital Lease Obligations": as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for the 6. For purposes of this Award Agreement, "Disability" shall mean (as determined by the amount of Committee in its sole discretion) any mental or physical illness that would qualify the Participant for a disability under any long-term disability plan maintained by the Company or any Subsidiary that is applicable to such obligations at any time shall be Participant, provided that if necessary for the capitalized amount thereof at such time determined in accordance with GAAP.

"Capital Stock": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options Award to purchase any satisfy Section 409A of the foregoing.

"Cash Equivalents": (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of twelve months or less from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than \$500,000,000; (c) commercial paper of an issuer rated at least A-1 by S&P Global Ratings, Code, a division of S&P Global Inc. ("S&P") or P-1 by Moody's Investors Service, Inc.

(**"Moody's"**), or carrying an equivalent rating by **"Disability"** must also be a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within six months from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days, with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody's; (f) securities with maturities of six months or less

from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; (g) money market mutual or similar funds that invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition; or (h) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least \$5,000,000,000.

"Change in Law": as defined in Section 3.8(a).

"Closing Date": the date on which the conditions precedent set forth in Section 5.1 shall have been satisfied, which date is April 14, 2017.

"CME Term SOFR Administrator": CME Group Benchmark Administration Limited as administrator of the forward-looking term Secured Overnight Financing Rate (SOFR) (or a successor administrator).

"Co-Documentation Agents": as of the Closing Date, Citizens Bank, N.A., KeyBank National Association and U.S. Bank National Association and, as of the Amendment No. 1 Effective Date, KeyBank National Association and Regions Bank, each in its capacity as a co-documentation agent in respect hereof.

"Co-Syndication Agents": as of the Closing Date, Bank of America, N.A. and Wells Fargo Bank, National Association and, as of the Amendment No. 1 Effective Date, Bank of America, N.A., Wells Fargo Bank, National Association and U.S. Bank National Association, each in its capacity as a co-syndication agent in respect hereof.

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

"Commitment": as to any Lender, the sum of the Incremental Term Loan Commitment and Revolving Commitment of such Lender.

"Commonly Controlled Entity": an entity, whether or not incorporated, that is under common control with the Borrower or any Group Member disability within the meaning of Section 4001 409A. If the Participant's employment with or provision of ERISA or is part of a group that includes the Borrower or any Group Member and that is treated as a single employer under Section 414 of the Code.

"Compliance Certificate": a certificate duly executed by a Responsible Officer substantially in the form of Exhibit B.

"Conduit Lender": any special purpose corporation organized and administered by any Lender services for the purpose Company and its Subsidiaries terminates by reason of making Loans otherwise required to be made by Retirement, this Award shall partially vest, any forfeiture restrictions on such Lender and designated by partially vested Award shall lapse on the date of such Lender in a written instrument; provided, that Retirement, the designation by any Lender of a Conduit Lender Participant shall not relieve the designating Lender of any of its obligations to fund a Loan under this Agreement if, for any reason, its Conduit Lender fails to fund any such Loan, and the designating Lender (and not the Conduit Lender) shall have the sole right and responsibility to deliver all consents and waivers required or requested under this Agreement with respect to its Conduit Lender, and provided, further, that no Conduit Lender shall (a) be entitled to receive any greater amount pursuant to Section 3.8, 3.9, 3.10 or 10.5 than

the designating Lender would have been entitled to receive in respect of the extensions of credit made by such Conduit Lender or (b) be deemed to have any Commitment.

"Confidential Information Memorandum": the Confidential Information Memorandum dated February 2017 and furnished to certain Lenders.

"Consolidated EBITDA": for any period:

(1) Consolidated Net Income for such period

plus,

(2) without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of (a) income tax expense, (b) interest expense, amortization or writeoff of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness (including the Loans), (c) depreciation and amortization expense, (d) amortization of intangibles (including, but not limited to, goodwill) and organization costs, (e) any non-cash charges or expenses (including for employee stock compensation) (excluding any non-cash charges or expenses representing accruals or reserves in the ordinary course of business for cash charges in a future period) and (f) any extraordinary, unusual or non-recurring expenses or losses,

minus.

(3) to the extent included in the statement of such Consolidated Net Income for such period, the sum of (i) interest income, (ii) any extraordinary, unusual or non-recurring income or gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, gains on the sales of assets outside of the ordinary course of business), (iii) income tax credits (to the extent not netted from income tax expense) and (iv) any other non-cash income (including the reversal of any reserve in respect of items described in clause (e) above subsequent to the fiscal quarter in which the relevant non-cash expenses or losses were reflected as a charge in the statement of Consolidated Net Income).

minus.

(4) any cash payments made during such period in respect of items described in clause (2)(e) above subsequent to the fiscal quarter in which the relevant non-cash expenses or losses were reflected as a charge in the statement of Consolidated Net Income (but only to the extent the relevant non-cash expenses or losses were added back to Consolidated Net Income in accordance with clause (2)(e) above).

For the purposes of calculating Consolidated EBITDA for any Reference Period, (i) if at any time during such Reference Period the Borrower or any Restricted Subsidiary shall have made any Material Disposition, the Consolidated EBITDA for such Reference Period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the property that is the subject of such Material Disposition for such Reference Period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such Reference Period and (ii) if during such Reference Period the Borrower or any Restricted Subsidiary shall have made a Material Acquisition, Consolidated EBITDA for such Reference Period shall be calculated after giving proforma effect thereto as if such Material Acquisition occurred on the first day of such Reference Period and after giving proforma effect to any adjustments (including, without limitation, operating and expense reductions) as would be permitted to be reflected in pro forma financial information complying with the requirements of Article 11 of Regulation S-X under the Securities Act of 1933, as amended (and the interpretations of the SEC thereunder).

"Consolidated Interest Coverage Ratio": for any period, the ratio of (a) Consolidated EBITDA for such period to (b) Consolidated Interest Expense for such period.

"Consolidated Interest Expense": for any period, total cash interest expense (including that attributable to Capital Lease Obligations) of the Borrower and the Restricted Subsidiaries for such period determined on a consolidated basis in accordance with GAAP (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and Securitizations and net costs under Swap Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP). For purposes of the foregoing, gross interest expense shall be determined after giving effect to any net payments received or paid by the Borrower or the Restricted Subsidiaries under interest rate protection agreements, the effect of which is required to be reflected in the Borrower's income statement under "Interest Expense".

"Consolidated Leverage Ratio": as at the last day of any period, the ratio of (a) Consolidated Total Debt on such day to (b) Consolidated EBITDA for such period.

"Consolidated Net Income": for any period, the consolidated net income (or loss) of the Borrower and the Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that (i) there shall be excluded (a) except as provided in the definition of Consolidated EBITDA, the income (or deficit) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Borrower or any of the Restricted Subsidiaries, (b) the income (or deficit) of any Person (other than a Restricted Subsidiary) in which the Borrower or any of the Restricted Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Borrower or such Restricted Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Restricted Subsidiary of the Borrower to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary is not at the time permitted by the terms of any Contractual Obligation (other than any such restrictions permitted pursuant to clause (vi) of Section 7.9 or arising under any Loan Document) or Requirement of Law applicable to such Restricted Subsidiary and (ii) there shall be no exclusion for the consolidated net income attributable to the non-controlling interest (minority interest) in any Joint Venture that is a Restricted Subsidiary.

"Consolidated Tangible Assets": at any date, the total assets of the Borrower and the Restricted Subsidiaries at such date, as determined on a consolidated basis in accordance with GAAP, less the Intangible Assets of the Borrower and the Restricted Subsidiaries. For purposes of this definition, "Intangible Assets" means the amount of (i) all write-ups in the book value of any asset owned by the Borrower or a Restricted Subsidiary and

(ii) all unamortized debt discount and expense, unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights and other intangible assets of the Borrower and the Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP.

"Consolidated Total Debt": at any date, the aggregate principal amount of all Indebtedness of the Borrower and the Restricted Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP and set forth on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries (excluding any items that appear solely in the footnotes thereto in accordance with GAAP).

"Continuing Directors": the directors of the Borrower on the Closing Date and each other director, if, in each case, either (x) such other director's nomination for election to the board of directors of the Borrower was recommended by at least a majority of the then Continuing Directors or (y) such other director's appointment to the board of directors of the Borrower was approved by at least a majority of the then Continuing Directors.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"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.

"Covered Entity": 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).

"Covered Party": as defined in Section 10.19.

"Credit Party": the Administrative Agent, any Issuing Lender or any other Lender.

"Daily Simple SOFR": for any day, (a) "SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent 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 Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion, "Rate Day"), a rate per annum equal SOFR for the day that is five (5) U.S. Government Securities Business Days prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator's Website. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower.

"Default": any of the events specified in Section 8, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"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.

"Defaulting Lender": any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit under this

Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, (d) has become the subject of a Bankruptcy Event or (e) has become the subject of a Bail-In Action.

"Disposition": with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"Dollars" and **"\$"**: dollars in lawful currency of the United States.

"Domestic Restricted Subsidiary": any Restricted Subsidiary organized under the laws of any jurisdiction within the United States.

"Early Opt-in Election": if the then-current Benchmark is Eurodollar Base Rate, the occurrence of:

(1) a notification by the Administrative Agent to (or the request by the Borrower to the Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding 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 Administrative Agent and the Borrower to trigger a fallback from Eurodollar Base Rate and the provision by the Administrative Agent of written notice of such election to the Lenders.

"EEA Financial Institution": (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": any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority": any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

"Electronic Signature": an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

"Environmental Laws": any and all foreign, Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority or other Requirements of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment.

"ERISA": the Employee Retirement Income Security Act of 1974, as amended from time to time, and any final regulations promulgated thereunder.

"EU Bail-In Legislation Schedule": the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"Eurodollar Base Rate": with respect to any Eurodollar Loan for any Interest Period, the Screen Rate at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period; provided that if the Screen Rate shall not be available at such time for such Interest Period (an "Impacted Interest Period") then the Eurodollar Base Rate shall be the Interpolated Rate.

"Eurodollar Loans": Loans the rate of interest applicable to which is based upon the Eurodollar Rate.

"Eurodollar Rate": with respect to any Eurodollar Loan for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/100th of 1%) equal to (a) the Eurodollar Base Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

"Eurodollar Tranche": the collective reference to Eurodollar Loans under a particular Facility the then-current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Event of Default": any of the events specified in Section 8, provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Excess Extensions of Credit": as defined in Section 3.14(c).

"Exchange Act": as defined in Section 8(j).

"Excluded JV Subsidiary": (a) any Joint Venture that would require the consent, approval or authorization of any Joint Venture Partner in order to provide a guarantee of the Obligations, unless the consent, approval or authorization of each such Joint Venture Partner has been received and (b) any Person owned directly or indirectly, in whole or in part, by any Joint Venture described in the foregoing clause (a).

"Excluded Swap Obligation": with respect to any Loan Party, any obligation (a "Swap Obligation") to pay or perform under any agreement, contract, or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act, if, and to the extent that, all or a portion of the guarantee of such Loan Party of, or the grant by such Loan Party of a security interest to secure, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation, or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof).

"Existing Credit Agreement": the Credit Agreement, dated April 22, 2013, among the Borrower, the lenders parties thereto from time to time and JPMorgan Chase Bank, N.A., in its capacity as administrative agent thereunder.

"Existing Letters of Credit": the letters of credit listed on Schedule 2.5.

"Facility": each of (a) the Revolving Commitments and the extensions of credit made thereunder (the "Revolving Facility") and (b) the respective tranches of Incremental Term Loan Commitments and the Incremental Term Loans made thereunder (each an "Incremental Term Loan Facility"), if any.

"FATCA": Sections 1471 through 1474 of the Code as of the date of this Agreement (or any amended or successor version that is substantially comparable and not materially more onerous to comply with) and any regulations issued thereunder or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"FCA": as defined in Section 1.2(f).

"Federal Funds Effective Rate": for any day, the rate calculated by the New York Fed based on such day's federal funds transactions by depository institutions, as determined in such manner as shall be set forth on the New York Fed's Website from time to time, and published on the next succeeding Business Day by the New York Fed as the effective federal funds rate; provided that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"Fee Payment Date": (a) the third Business Day following the last day of each March, June, September and December and (b) the last day of the Revolving Commitment Period.

"Floor": 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 Eurodollar Base Rate, the Adjusted Term SOFR Rate or the Adjusted Daily Simple SOFR, as applicable. For the avoidance of doubt the initial Floor for each of Adjusted Term SOFR Rate and the Adjusted Daily Simple SOFR shall be zero.

"Funding Office": the office of the Administrative Agent specified in Section 10.2 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

"GAAP": generally accepted accounting principles in the United States as in effect from time to time.

"Governmental Authority": any nation or 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, without limitation, 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), any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court,

central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

"Group Members": the collective reference to the Borrower and the Restricted Subsidiaries.

"Guarantee": the Guarantee to be executed and delivered by the Borrower and each Subsidiary Guarantor, substantially in the form of

Exhibit A.

"Guarantee Obligation": as to any Person (the "guaranteeing Person"), any obligation, including a reimbursement, counterindemnity or similar obligation, of the guaranteeing Person that guarantees or in effect guarantees, or which is given to induce the creation of a separate obligation by another Person (including any bank under any letter of credit) that guarantees or in effect guarantees, any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of the guaranteeing Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing Person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing Person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing Person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

"Historical Financials": as defined in Section 4.1.

"Honor Date": as defined in Section 2.9.

"Immaterial Restricted Subsidiary": any Restricted Subsidiary the revenues (excluding intercompany revenues) of which for the Reference Period ended as of the end of the most recently completed fiscal quarter for which financial statements have been delivered pursuant to Section 6.1 do not exceed \$50,000,000.

"Impacted Interest Period": as defined in the definition of "Eurodollar Base Rate".

"Incremental Amendment": as defined in Section 3.15(d).

"Incremental Term Loan Commitments": as to any Lender, the obligation of such Lender, if any, to make an Incremental Term Loan to the Borrower in a principal amount not to exceed the amount set forth in the applicable Incremental Amendment governing such Incremental Term Loan.

"Incremental Term Loan Facility": as defined in the definition of "Facility".

"Incremental Term Loans": as defined in Section 3.15(a).

"Indebtedness": of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than current trade payables incurred in the ordinary course of such Person's business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of acceptances, letters of credit, surety bonds or similar arrangements, (g) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (f), (h) all obligations of the kind referred to in clauses (a) through (g) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation, (i) all Securitization Attributable Indebtedness incurred by such Person in connection with any Securitization in which such Person participates, and (j) for the purposes of Section 8(e) only, the Swap Termination Value (but in no event to be an amount less than zero) in respect of Swap Agreements to which such Person is a party. The Indebtedness of

any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor.

"Insolvent": with respect to any Multiemployer Plan, the condition that such Multiemployer Plan is insolvent within the meaning of Section 4245 of ERISA.

"Intellectual Property": the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Interest Payment Date": (a) as to any ABR Loan, the last day of each March, June, September and December to occur while such Loan is outstanding and the final maturity date of such Loan, (b) as to any **Eurodollar Term Benchmark** Loan having an Interest Period of three months or less, the last day of such Interest Period, (c) as to any **Eurodollar Term Benchmark** Loan having an Interest Period longer than three months, each day that is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period **and**, (d) **and as to any RFR Loan (solely to the extent applicable following a Benchmark Replacement or otherwise pursuant to Section 3.6), each date that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month) and the final maturity date of such Loan and (e) as to any Loan (other than any Revolving Loan that is an ABR Loan), the date of any repayment or prepayment made in respect thereof.**

"Interest Period": as to any **Eurodollar Term Benchmark** Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such **Eurodollar Term Benchmark** Loan and ending one, three or six months thereafter (**or such other period as may be acceptable to all applicable Lenders**), as selected by the Borrower in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such **Eurodollar Term Benchmark** Loan and ending one, three or six months thereafter (**or such other period as may be acceptable to all applicable Lenders**), as selected by the Borrower by irrevocable notice to the Administrative Agent not later than 11:00 A.M., New York City time, on the date that is three Business Days prior to the last day of the then current Interest Period with respect thereto; provided that, all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) the Borrower may not select an Interest Period under a particular Facility that would extend beyond the Revolving Termination Date or beyond the date final payment is due on the relevant Incremental Term Loans, as the case may be; and

(iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month; **and**

(iv) no tenor that has been removed from this definition pursuant to Section 3.6(f) shall be available for specification.

"Interim Financials": as defined in Section 4.1.

"Interpolated Rate": at any time, for any Interest Period, the rate per annum (rounded to the same number of decimal places as the Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the Screen Rate for the longest period for which the Screen Rate is available) that is shorter than the Impacted Interest Period; and (b) the Screen Rate for the shortest period (for which that Screen Rate is available) that exceeds the Impacted Interest Period, in each case, at such time.

"Investments": as defined in Section 7.6.

"IRS": the United States Internal Revenue Service.

"IRS Form W-8BEN": the IRS Form W-8BEN-E, for entities, or the IRS Form W-8BEN, for individuals, as applicable.

"ISDA Definitions": 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.

"Issuing Lender": each of JPMorgan Chase Bank, N.A., Bank of America, N.A., Wells Fargo Bank, National Association, U.S. Bank National Association and any other Revolving Lender reasonably satisfactory to the Administrative Agent and the Borrower that has agreed in its sole discretion to act as an "Issuing Lender" hereunder, or any of their respective affiliates, in each case, in its capacity as issuer of any Letter of Credit. Each reference herein to "the Issuing Lender" shall be deemed to be a reference to the relevant Issuing Lender.

"Joint Venture": (a) a Subsidiary a portion of the Capital Stock of which is owned by a Person or Persons other than (x) the Group Members and (y) Persons holding directors' qualifying shares or other similar interests and (b) any Person owned directly or indirectly, in whole or in part, by any Subsidiary described in the foregoing clause (a).

"Joint Venture Partner": with respect to any Joint Venture at any time, any Person (other than a Group Member or a Person holding directors' qualifying shares or other similar interests) that owns a portion of the Capital Stock of such Joint Venture at such time.

"L/C Commitment": as to any Issuing Lender, the amount agreed from time to time by such Issuing Lender in its sole discretion and the Borrower (and notified to the Administrative Agent) as the maximum amount of Letters of Credit that such Issuing Lender is willing to issue at any time for the account of the Borrower hereunder, with the amount of Letters of Credit issued by any Issuing Lender at any time deemed to be equal to the amount of L/C Obligations at such time attributable to Letters of Credit issued by such Issuing Lender. As of the Amendment No. 1 Effective Date, the L/C Commitment of (i) JPMorgan Chase Bank, N.A. is \$12,500,000, (ii) Bank of America, N.A. is \$12,500,000, (iii) Wells Fargo Bank, National Association is \$12,500,000 and (iv) U.S. Bank National Association is \$12,500,000.

"L/C Obligations": at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit that have not then been reimbursed pursuant to Section 2.9.

"L/C Participants": with respect to any Letter of Credit, the collective reference to all the Revolving Lenders other than the Issuing Lender that issued such Letter of Credit.

"L/C Sublimit": \$50,000,000.

"Lender Parent": with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a Subsidiary.

"Lender-Related Person": as defined in Section 10.5(b).

"Lenders": as defined in the preamble hereto; provided, that unless the context otherwise requires, each reference herein to the Lenders shall be deemed to include any Conduit Lender.

"Letters of Credit": as defined in Section 2.5(a).

"Leverage Ratio Step-Up": as defined in Section 7.1(a).

"Leverage Ratio Step-Up Notice": as defined in Section 7.1(a).

"Liabilities": any losses, claims (including intraparty claims), demands, damages or liabilities of any kind.

"LIBOR": as defined in Section 1.2(f).

"Lien": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

"Loan": any loan made by any Lender pursuant to this Agreement.

"Loan Documents": this Agreement, the Guarantee, the Notes and any amendment, waiver, supplement or other modification to any of the foregoing.

"Loan Parties": each Group Member that is a party to a Loan Document.

"Majority Facility Lenders": with respect to any Facility, the holders of more than 50% of the aggregate unpaid principal amount of the Incremental Term Loans or the Total Revolving Extensions of Credit, as the case may be, outstanding under such Facility (or, in the case of the Revolving Facility, prior to any termination of the Revolving Commitments, the holders of more than 50% of the Total Revolving Commitments).

"Material Acquisition": any acquisition of property or series of related acquisitions of property that (a) constitutes assets comprising all or substantially all of an operating unit of a business or constitutes all or substantially all of the common stock of a Person and (b) involves the payment of consideration by the Borrower and the Restricted Subsidiaries in excess of \$100,000,000.

"Material Adverse Effect": a material adverse effect on (a) the business, property, results of operations or financial condition of the Borrower and the Restricted Subsidiaries taken as a whole or (b) the validity or enforceability of this Agreement or any of the other Loan Documents or the rights or remedies of the Administrative Agent or the Lenders hereunder or thereunder.

"Material Disposition": any Disposition of property or series of related Dispositions of property that yields gross proceeds to the Borrower or any of the Restricted Subsidiaries in excess of \$100,000,000.

"Material Domestic Restricted Subsidiary": (a) Sid Tool Co., Inc., MSC Contract Management, Inc., J&L America, Inc., All Integrated Solutions, Inc. and MSC Acquisition Subsidiary LLC, (b) any other Domestic Restricted Subsidiary designated by the Borrower as a Material Domestic Restricted Subsidiary, and (c) each other Domestic Restricted Subsidiary (other than any Excluded JV Subsidiary) the revenues (excluding intercompany revenues) of which for the Reference Period ended as of the end of the most recently completed fiscal quarter for which financial statements have been delivered pursuant to Section 6.1 exceed \$50,000,000; provided that the aggregate revenues (excluding intercompany revenues) of all Domestic Restricted Subsidiaries (other than Excluded JV Subsidiaries) that are not Material Domestic Restricted Subsidiaries for any Reference Period shall not exceed 10% of the aggregate revenues (excluding intercompany revenues) of the Borrower and its Domestic Restricted Subsidiaries (other than Excluded JV Subsidiaries) for such Reference Period (and the Borrower will designate in writing to the Administrative Agent from time to time a Domestic Restricted Subsidiary (or Domestic Restricted Subsidiaries) to be designated as a "Material Domestic Restricted Subsidiary" in order to comply with the foregoing limitation (it being understood and agreed that such designation may be included in, and satisfied by delivery of, a supplement to the Guarantee substantially in the form of Annex A to the Guarantee)).

"Materials of Environmental Concern": any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including asbestos, polychlorinated biphenyls and urea-formaldehyde insulation.

"Multiemployer Plan": a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"New York Fed": the Federal Reserve Bank of New York.

"New York Fed's Website": the website of the New York Fed at <http://www.newyorkfed.org>, or any successor source.

"New York Fed Bank Rate": for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term "New York Fed Bank Rate" means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; *provided, further, that if any of the*

aforesaid rates as so determined be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Non-Excluded Taxes": as defined in Section 3.9(a).

"Non-U.S. Lender": as defined in Section 3.9(d).

"Notes": the collective reference to any promissory note evidencing Loans.

"Obligations": the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and Reimbursement Obligations and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and Reimbursement Obligations and all other obligations and liabilities of the Borrower (or, in the case of any Specified Swap Agreement, any Subsidiary Guarantor) to the Administrative Agent or to any Lender (or, in the case of any Specified Swap Agreement, any affiliate of any Lender), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, any Letter of Credit, any Specified Swap Agreement or any other document made, delivered or given in connection herewith or therewith, in each case, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by the Borrower pursuant hereto) or otherwise.

"Other Taxes": any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document, including any interest, additions to tax or penalties applicable thereto.

"Overnight Bank Funding Rate": for any day, the rate comprised of both overnight federal funds and overnight eurodollar borrowings transactions by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the New York Fed as set forth on the New York Fed's Website from time to time, and published on the next succeeding Business Day by the New York Fed as an overnight bank funding rate.

"Participant": as defined in Section 10.6(c).

"Participant Register": as defined in Section 10.6(c).

"Patriot Act": as defined in Section 10.17.

"Payment": as defined in Section 10.20.

"Payment Notice": as defined in Section 10.20.

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

"Permitted Investors": the collective reference to (a) Mitchell Jacobson, (b) Marjorie Gershwind Fiverson, (c) Erik Gershwind, (d) Stacey Bennett, (e) the heirs, executors, administrators, testamentary trustees, legatees or beneficiaries of Mitchell Jacobson, Marjorie Gershwind Fiverson, Erik Gershwind or Stacey Bennett including, but not limited to, such one or more organizations to which transfers are deductible for Federal, estate, gift or income tax purposes and (f) any trust, business trust, limited liability company or other entity, the beneficiaries, beneficial owners or equity holders of which include only Mitchell Jacobson, Marjorie Gershwind Fiverson, Erik Gershwind, Stacey Bennett, their spouses, their lineal descendants and any other members of their families, and such one or more organizations to which transfers are deductible for Federal, estate, gift, or income tax purposes.

"Person": an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, charitable organization, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan": any employee pension benefit plan (within the meaning of Section 3(2) of ERISA, other than a Multiemployer Plan) that is covered by ERISA and in respect of which the Borrower or any Group Member is, or in the case of a Plan that is subject to Section 412 of the Code or Section 302 of ERISA, any Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Pricing Grid": the table set forth below.

Consolidated Leverage Ratio	Applicable Margin for Revolving Loans that are Eurodollar Term Benchmark Loans	Applicable Margin for Revolving Loans that are ABR Loans	Undrawn Fee Rate
Equal to or higher than 2.50 to 1.00	1.250%	0.250%	0.175%
Less than 2.50 to 1.00, but equal to or higher than 1.50 to 1.00	1.125%	0.125%	0.125%

Less than 1.50 to 1.00, but equal to or higher than 0.75 to 1.00	1.00%	0.00%	0.100%
Less than 0.75 to 1.00	0.875%	0.00%	0.075%

For the purposes of the Pricing Grid, changes in the Applicable Margin resulting from changes in the Consolidated Leverage Ratio shall become effective on the date that is three Business Days after the date on which financial statements are delivered to the Lenders pursuant to Section 6.1 and shall remain in effect until the next change to be effected pursuant to this paragraph. If any financial statements pursuant to Section 6.1 are not delivered within the time periods specified in Section 6.1, then, until the date that is three Business Days after the date on which such financial statements are delivered, the highest rate set forth in each column of the Pricing Grid shall apply. In addition, at all times while an Event of Default shall have occurred and be continuing, the highest rate set forth in each column of the Pricing Grid shall apply. Each determination of the Consolidated Leverage Ratio pursuant to the Pricing Grid shall be made in a manner consistent with the determination thereof pursuant to Section 7.1.

"Prime Rate": the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

"Priority Debt": without duplication, (a) all Indebtedness of Restricted Subsidiaries which are not Subsidiary Guarantors, (b) all Indebtedness of the Borrower or any of the Restricted Subsidiaries secured by a Lien other than Liens permitted by Section 7.3(a) through Section 7.3(o) and (c) all Indebtedness of the Borrower or any of the Restricted Subsidiaries incurred in connection with any Securitization.

"Properties": as defined in Section 4.17(a).

"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).

"QFC Credit Support" as defined in Section 10.19.

"Reference Period": any period of four consecutive fiscal quarters.

"Reference Time" with respect to any setting of the then-current Benchmark means (1) if such Benchmark is Eurodollar Base Rate, 11:00 a.m. (London) the Adjusted Term SOFR Rate, 5:00 a.m. (Chicago time) on the day that is two London banking days U.S. Government Securities Business Days preceding the date of such setting, and (2) if such Benchmark is not Eurodollar Base Rate the Adjusted Daily Simple SOFR, then four Business Days prior to such setting and (3) if such Benchmark is not the Adjusted Term SOFR Rate or the Adjusted Daily Simple SOFR, the time determined by the Administrative Agent in its reasonable discretion.

"Register": as defined in Section 10.6(b).

"Regulation D": Regulation D of the Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Regulation U": Regulation U of the Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Reimbursement Obligation": the obligation of the Borrower to reimburse each Issuing Lender pursuant to Section 2.9 for amounts drawn under Letters of Credit issued by such Issuing Lender.

"Related Parties": with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Relevant Governmental Body": the Board or the New York Fed, or a committee officially endorsed or convened by the Board or the New York Fed, or any successor thereto.

"Replaced Incremental Term Loans": as defined in Section 10.1(d).

"Replacement Term Loans": as defined in Section 10.1(d).

"Reportable Event": any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty day notice period is waived under subsections .27, .28, .29, .30, .31, .32, .34 or .35 of PBGC Reg. § 4043.

"Required Lenders": at any time, the holders of more than 50% of (a) until the Closing Date, the Commitments then in effect and (b) thereafter, the sum of (i) the aggregate unpaid principal amount of the Incremental Term Loans then outstanding and (ii) the Total Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the Total Revolving Extensions of Credit then outstanding.

"Requirement of Law": as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer": the chief executive officer, president, chief operating officer, vice president of finance and accounting, vice president of finance, corporate controller or chief financial officer of the Borrower, but in any event, with respect to financial matters, the vice president of finance and accounting, vice president of finance, corporate controller or chief financial officer of the Borrower.

"Restricted Payment": any payment of dividends, any payment on account of the purchase, redemption, defeasance, retirement or other acquisition of any Capital Stock and any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of any Group Member.

"Restricted Subsidiary": any Subsidiary of the Borrower other than an Unrestricted Subsidiary.

"Resolution Authority": an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Revolving Commitment": as to any Lender, the obligation of such Lender, if any, to make Revolving Loans and participate in Letters of Credit in an aggregate principal and/or face amount not to exceed the amount set forth under the heading "Revolving Commitment" opposite such Lender's name on Schedule 1.1A (which amount may be increased pursuant to Section 3.15) or in the Assignment and Assumption or Incremental Amendment pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The original amount of the Total Revolving Commitments is \$600,000,000.

"Revolving Commitment Period": the period from and including the Closing Date to the Revolving Termination Date.

"Revolving Extensions of Credit": as to any Revolving Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Revolving Loans held by such Lender then outstanding and (b) such Lender's Revolving Percentage of the L/C Obligations then outstanding.

"Revolving Facility": as defined in the definition of "Facility".

"Revolving Lender": each Lender that has a Revolving Commitment or that holds Revolving Loans.

"Revolving Loans": as defined in Section 2.1(a).

"Revolving Percentage": as to any Revolving Lender at any time, the percentage which such Lender's Revolving Commitment then constitutes of the Total Revolving Commitments or, at any time after the Revolving Commitments shall have expired or terminated, the percentage which the aggregate amount of such Lender's Revolving Extensions of Credit then outstanding constitutes of the aggregate amount of the Revolving Extensions of Credit then outstanding.

"Revolving Termination Date": August 24, 2026 or such earlier date on which the Revolving Commitments may terminate pursuant to Section 8 or Section 2.4.

"RFR Borrowing": as to any Borrowing, the RFR Loans comprising such Borrowing.

"RFR Loan": a Loan that bears interest at a rate based on the Adjusted Daily Simple SOFR.

"Sanctioned Country": at any time, a country, region or territory which is itself the subject or target of any comprehensive, territorial Sanctions (at the time of this Agreement, the Crimea region of Ukraine, Cuba, Iran, North Korea, Sudan and Syria).

"Sanctioned Person": at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State or by the United Nations Security Council, the European Union, any European Union member state or Her Majesty's Treasury of the United Kingdom, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

"Sanctions": economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State or (b) the United Nations Security Council, the European Union, any European Union member state or Her Majesty's Treasury of the United Kingdom.

"Screen Rate": for any day and time, with respect to any any Eurodollar Loan for any Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for Dollars for a period equal in length to such Interest Period as displayed on such day and time on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion); provided that if the Screen Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"SEC": the Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

"Securitization": any transaction or series of transactions entered into by the Borrower or any Restricted Subsidiary pursuant to which the Borrower or such Restricted Subsidiary, as the case may be, sells, conveys or otherwise transfers to a Securitization Vehicle Securitization Assets of the Borrower or such Restricted Subsidiary (or grants a security interest in such Securitization Assets transferred or purported to be transferred to such Securitization Vehicle), and which Securitization Vehicle finances the acquisition of such Securitization Assets (i) with proceeds from the issuance or sale of Third Party Interests, (ii) with Sellers' Retained Interests and/or (iii) with proceeds from the sale or collection of Securitization Assets previously purchased by such Securitization Vehicle.

"Securitization Assets": any accounts receivable owed to or owned by the Borrower or any Restricted Subsidiary (whether now existing or arising or acquired in the future) arising in the ordinary course of business from the sale of goods or services, all collateral securing such accounts receivable, all contracts and contract rights and all guarantees or other obligations in respect of such accounts receivable, all proceeds of such accounts receivable and other assets (including contract rights) which are of the type customarily transferred in connection with securitizations of accounts receivable and which are sold, transferred or otherwise conveyed by the Borrower or a Restricted Subsidiary to a Securitization Vehicle in connection with a Securitization permitted by Section 7.5.

"Securitization Attributable Indebtedness": the amount of obligations outstanding under the legal documents entered into as part of any accounts receivable securitization or similar transaction relating to accounts receivable originated by the Borrower or any Restricted Subsidiary on any date of determination that corresponds to the outstanding net investment (including loans) of, or cash purchase price paid by, the unaffiliated third party purchasers or financial institutions participating in such transaction and, as such, would be characterized as principal if such securitization were structured as a secured lending transaction rather than as a purchase (or, to the extent structured as a secured lending transaction, is principal). For the avoidance of doubt, "Securitization Attributable Indebtedness" shall not include (a) obligations that correspond to a deferred purchase price or other consideration owing to the Borrower or any Restricted Subsidiary funded on a deferred basis from the proceeds of the collections on such receivables, a subordinated interest held by the Borrower or any Restricted Subsidiary or the reserve or over-collateralization established or maintained for the benefit of the unaffiliated third party purchasers or financial institutions participating in such transaction, and (b) obligations arising under uncommitted factoring arrangements and similar uncommitted sale transactions.

"Securitization Vehicle": a Person that is a direct wholly owned Subsidiary of the Borrower or a Restricted Subsidiary formed for the purpose of effecting one or more Securitizations to which the Borrower or any Restricted Subsidiary transfers Securitization Assets and which, in connection therewith, issues or sells Third Party Interests or Sellers' Retained Interests; provided that such Securitization Vehicle shall engage in no business other than the purchase of Securitization Assets

pursuant to Securitizations permitted by Section 7.5, the issuance or sale of Third Party Interests or other funding of such Securitizations and any activities reasonably related thereto, and provided further that:

(x) no portion of the Indebtedness or any other obligations (contingent or otherwise) of such Securitization Vehicle (i) is guaranteed by the Borrower or any Restricted Subsidiary (excluding guarantees of obligations (other than the principal of and interest on Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is with recourse to or obligates the Borrower or any Restricted Subsidiary (other than such Securitization Vehicle) in any way other than pursuant to Standard Securitization Undertakings, or (iii) subjects any property or asset of the Borrower or any Restricted Subsidiary (other than such Securitization Vehicle), directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(y) neither the Borrower nor any Restricted Subsidiary has any material contract, agreement, arrangement or understanding with such Securitization Vehicle other than on terms which the Borrower reasonably believes to be no less favorable to the Borrower or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Borrower and other than Standard Securitization Undertakings; and

(z) neither the Borrower nor any Restricted Subsidiary has any obligation to maintain or preserve such Securitization Vehicle's financial condition or cause such Securitization Vehicle to achieve certain levels of operating results.

"Sellers' Retained Interests": the debt or equity interests held by or deferred purchase price payable to the Borrower or any Restricted Subsidiary in a Securitization Vehicle to which Securitization Assets have been transferred in a Securitization permitted by Section 7.5, including any such debt, equity or deferred purchase price received in consideration for the Securitization Assets transferred.

"Single Employer Plan": any Plan that is covered by Title IV of ERISA.

"SOFR": ~~with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published as administered by the SOFR Administrator on the SOFR Administrator's Website at approximately 8:00 a.m. (New York City time) on the immediately succeeding Business Day.~~

"SOFR Administrator": the New York Fed (or a successor administrator of the secured overnight financing rate).

"SOFR Administrator's Website": the New York Fed's website, 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.

"SOFR Rate Day": the meaning specified in the definition of "Daily Simple SOFR".

"Solvent": when used with respect to any Person, means that, as of any date of determination, (a) the amount of the "present fair saleable value" of the assets of such Person will, as of such date, exceed the amount of all "liabilities of such Person, contingent or otherwise", as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (d) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) "debt" means liability on a "claim", and (ii) "claim" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives

~~rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.~~

"Specified Swap Agreement": any Swap Agreement between the Borrower or any Subsidiary Guarantor and any Lender or affiliate thereof in respect of interest rates, currency exchange rates or commodity prices.

"Standard Securitization Undertakings": representations, warranties, covenants, indemnities and guarantees of payment and performance entered into by the Borrower or any Restricted Subsidiary which the Borrower has determined in good faith to be customary in a Securitization, including those relating to the servicing of the assets of a Securitization Vehicle.

"Statutory Reserve Rate": a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentage (including any marginal, special, emergency or supplemental reserves).

expressed as a decimal established by the Board to which the Administrative Agent is subject with respect to the Eurodollar Rate, for eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D). Such reserve percentage shall include those imposed pursuant to Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Subsidiary": as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Subsidiary Guarantor": each Material Domestic Restricted Subsidiary, other than any Securitization Vehicle.

"Supported QFC": as defined in Section 10.19.

"Swap Agreement": any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or any of its Subsidiaries shall be a "Swap Agreement".

"Swap Obligation": as defined in the definition of "Excluded Swap Obligation".

"Swap Termination Value": in respect of any Swap Agreement, after taking into account the effect of any legally enforceable netting agreement relating thereto, (a) for any date on or after the date such Swap Agreement has been closed out and the termination value has been determined in accordance therewith, such termination value and (b) for any date prior to the date referenced in clause (a), the amount determined as the mark-to-market value for such Swap Agreement, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Agreement (which may include a Lender or any Affiliate of a Lender).

"Term SOFR": 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 Benchmark": when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted Term SOFR Rate.

"Term Benchmark Tranche": the collective reference to Term Benchmark Loans under a particular Facility the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Term SOFR Notice": a notification by the Administrative Agent to the Lenders and the Borrower of the occurrence of a Term SOFR Transition Event
"Term SOFR Determination Day": the meaning assigned to it under the definition of "Term SOFR Reference Rate".

"Term SOFR Transition Event": the determination by the Administrative Agent that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, (b) the administration of Term SOFR is administratively feasible for the Administrative Agent and (c) a Benchmark Transition Event or an Early Opt in Election, as applicable, has previously occurred resulting in a Benchmark Replacement in accordance with Section 3.6 that is not Term SOFR Rate". with respect to any Term Benchmark Borrowing and for any tenor comparable to the applicable Interest Period, the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, two U.S. Government Securities Business Days prior to the commencement of such tenor comparable to the applicable Interest Period, as such rate is published by the CME Term SOFR Administrator.

"Term SOFR Reference Rate": for any day and time (such day, the "Term SOFR Determination Day"), with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable Interest Period, the rate per annum determined by the Administrative Agent as the forward-looking term rate based on SOFR. If by 5:00 pm (New York City time) on such Term SOFR Determination Day, the "Term SOFR Reference Rate" for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Rate has not occurred, then the Term SOFR Reference Rate for such Term SOFR Determination Day will be the

Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such first preceding Business Day is not more than five (5) Business Days prior to such Term SOFR Determination Day.

"Third Party Interests": with respect to any Securitization, notes, bonds or other debt instruments, beneficial interests in a trust, undivided ownership interests in receivables or other securities issued or sold for cash consideration by the relevant Securitization Vehicle to banks, financing conduits, investors or other financing sources (other than the Borrower and the Restricted Subsidiaries) the proceeds of which are used to finance, in whole or in part, the purchase by such Securitization Vehicle of Securitization Assets in a Securitization. The amount of any Third Party Interests shall be deemed to equal the aggregate principal, stated or invested amount of such Third Party Interests which are outstanding at such time.

"Total Revolving Commitments": at any time, the aggregate amount of the Revolving Commitments then in effect.

"Total Revolving Extensions of Credit": at any time, the aggregate amount of the Revolving Extensions of Credit of the Revolving Lenders outstanding at such time.

"Transferee": any Assignee or Participant.

"Type": as to any Loan, its nature as an ABR Loan or a Eurodollar Term Benchmark Loan.

"U.S. Government Securities Business Day" means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"U.S. Person": a "United States person" with the meaning of Section 7701(a)(30) of the Code.

"U.S. Special Resolution Regime" as defined in Section 10.19.

"UK Financial Institutions": 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": the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unadjusted Benchmark Replacement": the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"Undrawn Fee Rate": the rate per annum determined pursuant to the Pricing Grid.

"United States": the United States of America.

"Unrestricted Subsidiary": (a) any Subsidiary of the Borrower listed as an Unrestricted Subsidiary on Schedule 4.15 hereto and (b) any Subsidiary of the Borrower designated by the board of directors of the Borrower as an Unrestricted Subsidiary pursuant to Section 6.10 after the Closing Date.

"Withholding Agents": the Loan Parties and the Administrative Agent.

"Write-Down and Conversion Powers": (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.

1.2. Other Definitional Provisions. i) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(a) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to any Group Member not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP (provided that, notwithstanding anything to the contrary herein, all accounting or financial terms used herein shall be construed, and all financial computations pursuant hereto shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159 (or any other Financial Accounting Standard having a similar effect) to value any Indebtedness or other liabilities of any Group Member at "fair value", as defined therein), (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (iii) the word "incur" shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words "incurred" and "incurrence" shall have correlative meanings), (iv) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, securities, revenues, accounts, leasehold interests and contract rights, and (v) references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to

refer to such agreements or other Contractual Obligations as amended, supplemented, restated or otherwise modified from time to time.

(b) The words "hereof", "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(d) Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrowers that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith; provided, further that for purposes of calculating the ratios, requirements or covenants under this Agreement or any other Loan Document, any obligations of a Person under a lease (whether existing on the Closing Date or entered into thereafter) that is not (or would not be) required to be classified and accounted for as a Capital Lease Obligation on a balance sheet of such Person prepared in accordance with GAAP as in effect on December 31, 2015 shall not be treated as a Capital Lease Obligation or Indebtedness pursuant to this Agreement or the other Loan Documents solely as a result of changes in the application of GAAP that become effective after December 31, 2015 (including the avoidance of doubt, any changes as set forth in the FASB ASU 2016-2, Leases (Topic 842)).

(e) The interest rate on a Loan may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Regulators have signaled the need to use alternative benchmark reference rates for some of these interest rate benchmarks and, as a result, such interest rate benchmarks may cease to comply with applicable laws and regulations, may be permanently discontinued, and/or the basis on which they are calculated may change. The London interbank offered rate ("LIBOR") is intended to represent the rate at which contributing banks may obtain short term borrowings from each other in the London interbank market. On March 5, 2021, the U.K. Financial Conduct Authority ("FCA") publicly announced that: (i) immediately after December 31, 2021, publication of all the 1 week and 2 month U.S. Dollar LIBOR settings will permanently cease; immediately after June 30, 2023, publication of the overnight and 12 month U.S. Dollar LIBOR settings will permanently cease; and immediately after June 30, 2023, the 1 month, 3 month and 6 month U.S. Dollar LIBOR settings will cease to be provided or, subject to the FCA's consideration of the case, be provided on a synthetic basis and no longer be representative of the underlying market and economic reality they are intended to measure and that representativeness will not be restored. There is no assurance that dates announced by the FCA will not change or that the administrator of LIBOR and/or regulators will not take further action that could impact the availability, composition, or characteristics of LIBOR or the currencies and/or tenors for which LIBOR is published. Each party to this agreement should consult its own advisors to stay informed of any such developments. Public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of LIBOR. Upon the occurrence of a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt in Election, Section 3.6(b) and (c) provide provides a mechanism for determining an alternative rate of interest. The Administrative Agent will promptly notify the Borrower, pursuant to Section 3.6(e), of any change to the reference rate upon which the interest rate on Loans is based. However, the Administrative Agent does not warrant

or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, performance or any other matter related to LIBOR or other rates in the definition of "Eurodollar Base Rate" any interest rate used in this Agreement, or with respect to any alternative or successor rate thereto, or replacement rate thereof (including, without limitation, (i) any such alternative, successor or replacement rate implemented pursuant to Section 3.6(b) or (c), whether upon the occurrence of a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt in

Election, and (ii) the implementation of any Benchmark Replacement Conforming Changes pursuant to Section 3.6(d)), including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the Eurodollar Base Rate existing interest rate being replaced or have the same volume or liquidity as did the London interbank offered any existing interest rate prior to its discontinuance or unavailability. The Administrative Agent and its affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate used in this Agreement or any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any Benchmark interest rate used in this Agreement, any component thereof, or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

1.3. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person.

SECTION 2. AMOUNTS AND TERMS OF REVOLVING COMMITMENTS

2.1. Revolving Commitments. ii) Subject to the terms and conditions hereof, each Revolving Lender severally agrees to make revolving credit loans ("Revolving Loans") to the Borrower from time to time during the Revolving Commitment Period in an aggregate principal amount at any one time outstanding which, when added to such Lender's Revolving Percentage of the L/C Obligations then outstanding, does not exceed the amount of such Lender's Revolving Commitment. During the Revolving Commitment Period the Borrower may use the Revolving Commitments by borrowing, prepaying the Revolving Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. The Revolving Loans may from time to time be Eurodollar Term Benchmark Loans or ABR Loans (or, solely to the extent applicable following a Benchmark Replacement or otherwise pursuant to Section 3.6, RFR Loans), as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.2 and 3.2.

(a) The Borrower shall repay all outstanding Revolving Loans on the Revolving Termination Date.

2.2. Procedure for Revolving Loan Borrowing. The Borrower may borrow under the Revolving Commitments during the Revolving Commitment Period on any Business Day, provided that the Borrower shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent prior to (a) 11:00 A.M., New York City time, three Business Days prior to the requested Borrowing Date, in the case of Eurodollar Term Benchmark Loans, or (b) 1:00 P.M., New York City time, on the requested Borrowing Date, in the case of ABR Loans) or (c) solely to the extent applicable following a Benchmark Replacement or otherwise pursuant to Section 3.6, 11:00 A.M., London time, five Business Days prior to the requested Borrowing Date, in the case of RFR Loans, specifying (i) the amount and Type of Revolving Loans to be borrowed, (ii) the requested Borrowing Date and (iii) in the case of Eurodollar Term Benchmark Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Period therefor. Each borrowing under the Revolving Commitments shall be in an amount equal to (x) in the case of ABR Loans, \$1,000,000 or a whole multiple thereof (or, if the then aggregate Available Revolving Commitments are less than \$1,000,000, such lesser amount) and (y) in the case of Eurodollar Term Benchmark Loans, \$3,000,000 or a whole multiple of \$1,000,000 in excess thereof. Upon receipt of any such notice from the Borrower, the Administrative Agent shall promptly notify each Revolving Lender thereof. Each Revolving Lender will make the amount of its prorata share of each borrowing available to the Administrative Agent for the account of the Borrower at the Funding Office prior to 2:00 P.M., New York City time, on the Borrowing

Date requested by the Borrower in funds immediately available to the Administrative Agent. Such borrowing will then be made available to the Borrower by the Administrative Agent crediting the account of the Borrower on the books of such office with the aggregate of the amounts made available to the Administrative Agent by the Revolving Lenders and in like funds as received by the Administrative Agent.

2.3. Undrawn Fees, etc. iii) The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender an undrawn fee for the period from and including the date hereof to the last day of the Revolving Commitment Period, computed at the Undrawn Fee Rate on the average daily amount of the unused Revolving Commitment of such Lender during the period for which payment is made. Undrawn fees shall be payable quarterly in arrears on each Fee Payment Date, commencing on the first such date to occur after the date hereof.

(a) The Borrower agrees to pay to the Administrative Agent the fees in the amounts and on the dates as set forth in any fee agreements with the Administrative Agent and to perform any other obligations contained therein.

2.4. Termination or Reduction of Revolving Commitments. The Borrower shall have the right, upon not less than three Business Days' notice to the Administrative Agent, to terminate the Revolving Commitments or, from time to time, to reduce the amount of the Revolving Commitments; provided that no such termination or reduction of Revolving Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Loans made on the effective date thereof, the Total Revolving Extensions of Credit would exceed the Total Revolving Commitments. Any such reduction shall be in an amount equal to \$1,000,000, or a whole multiple thereof, and shall reduce permanently the Revolving Commitments then in effect.

2.5. L/C Commitment. iv) The Existing Letters of Credit issued under the Existing Credit Agreement prior to the Closing Date, if any, will, from and after the Closing Date, be deemed to be Letters of Credit issued under this Agreement on the Closing Date. Subject to the terms and conditions hereof, each Issuing Lender, in reliance on the agreements of the other Revolving Lenders set forth in Section 2.8(a), agrees to issue letters of credit (together with the Existing Letters of Credit, the "Letters of Credit") for the account of the Borrower on any Business Day during the Revolving Commitment Period in such form as may be approved from time to time by such Issuing Lender; provided that no Issuing Lender shall have any obligation to issue any Letter of Credit if, after giving effect to such issuance, (i) the L/C Obligations would exceed the L/C Sublimit, (ii) the aggregate amount of the Available Revolving Commitments would be less than zero or (iii) the amount of L/C Obligations at such time attributable to Letters of Credit issued by such Issuing Lender would exceed the L/C Commitment of such Issuing Lender. Each Letter of Credit shall (i) be denominated in Dollars and (ii) expire no later than the earlier of (x) the first anniversary of its date of issuance and (y) the date that is five Business Days prior to the Revolving Termination Date, provided that any Letter of Credit with a one-year term may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (y) above, unless on or prior to such date, such Letter of Credit is cash collateralized in an amount equal to 105% of the face amount of such Letter and Credit and on such other terms reasonably satisfactory to the Administrative Agent and the applicable Issuing Lender, it being understood and agreed that if the Administrative Agent and the applicable Issuing Lender agree to permit a Letter of Credit to expire after the Revolving Termination Date, notwithstanding any provision of this Agreement to the contrary, each L/C Participant's participation in such Letter of Credit will terminate on the Revolving Termination Date and such L/C Participants will have no further obligations to the Issuing Lenders after the Revolving Termination Date).

(a) No Issuing Lender shall be obligated to issue any Letter of Credit if such issuance would conflict with, or cause such Issuing Lender or any L/C Participant to exceed any limits imposed by, any applicable Requirement of Law.

2.6. Procedure for Issuance of Letter of Credit. The Borrower may from time to time request that an Issuing Lender issue a Letter of Credit by delivering to such Issuing Lender at its address for notices specified herein an Application therefor, completed to the satisfaction of such Issuing Lender, and such other certificates, documents and other papers and information as such Issuing Lender may.

request. Upon receipt of any Application, an Issuing Lender will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue the Letter of Credit requested thereby (but in no event shall any Issuing Lender be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed to by such Issuing Lender and the Borrower. The applicable Issuing Lender shall furnish a copy of such Letter of Credit to the Borrower promptly following the issuance thereof. Each Issuing Lender shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the Lenders, notice of the issuance of each Letter of Credit issued by it (including the amount thereof).

2.7. Fees and Other Charges. v) The Borrower will pay a fee on all outstanding Letters of Credit at a per annum rate equal to the Applicable Margin then in effect with respect to Eurodollar Term Benchmark Loans under the Revolving Facility, shared ratably among the Revolving Lenders and payable quarterly in arrears on each Fee Payment Date after the issuance date. In addition, the Borrower shall pay to each Issuing Lender for its own account a fronting fee of 0.125% per annum on the undrawn and unexpired amount of each Letter of Credit issued by such Issuing Lender, payable quarterly in arrears on each Fee Payment Date after the issuance date.

(a) In addition to the foregoing fees, the Borrower shall pay or reimburse each Issuing Lender for such normal and customary costs and expenses as are incurred or charged by such Issuing Lender in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit.

2.8. L/C Participations. vi) Each Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce the Issuing Lenders to issue Letters of Credit, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from each Issuing Lender, on the terms and conditions set forth below, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Revolving Percentage in each Issuing Lender's obligations and rights under and in respect of each Letter of Credit issued by such Issuing Lender and the amount of each draft paid by such Issuing Lender thereunder. Each L/C Participant agrees with each Issuing Lender that, if a draft is paid by such Issuing Lender under any Letter of Credit for which such Issuing Lender is not reimbursed in full by the Borrower in accordance with the terms of this Agreement, such L/C Participant shall pay to such Issuing Lender upon demand at such Issuing Lender's address for notices specified herein an amount equal to such L/C Participant's Revolving Percentage of the amount of such draft, or any part thereof, that is not so reimbursed. Each L/C Participant's obligation to pay such amount shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such L/C Participant may have against such Issuing Lender, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5, (iii) any adverse change in the condition (financial or otherwise) of the Borrower, (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other L/C Participant or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(a) If any amount required to be paid by any L/C Participant to any Issuing Lender pursuant to Section 2.8(a) in respect of any unreimbursed portion of any payment made by such Issuing Lender under any Letter of Credit is paid to such Issuing Lender within three Business Days after the date such payment is due, such L/C Participant shall pay to such Issuing Lender on demand an amount Performance Share Units equal to the product of (i) such amount, times (ii) the daily average New York Fed Bank Rate during the period from (a) and including the date such payment (b), where (a) is required equal to the date on which such payment is immediately available to such Issuing Lender, times (iii) a fraction, the numerator of which is the number of days that elapse during such period full years (i.e., 365-day periods) of employment from the Date of Grant until the date of Retirement, and the denominator of which is 360. If any such amount required to be paid three (3), and (b) is the number of Performance Share Units that otherwise would have been earned by any L/C the Participant pursuant to Section 2.8(a) is if the Participant's employment or provision of services had not made available terminated prior to the applicable Issuing Lender Vesting Date determined in accordance with Section 4, and settlement shall be made as provided in Section 6. If the Participant's employment with or provision of services for the Company and its Subsidiaries terminates by reason of a Qualifying Termination, this Award shall partially vest, any forfeiture restrictions on such L/C Participant within three Business Days after partially vested Award shall lapse on the date of such payment is due, such Issuing Lender Qualifying Termination, the Participant shall be entitled to recover from such L/C receive a number of Performance Share Units equal to the product of (a) and (b), where (a) is equal to 33-1/3%, and (b) is the number of Performance Share Units that otherwise would have been earned by the Participant on demand, such amount with interest thereon calculated from such due date at if the rate per annum applicable Participant's employment or provision of services had not terminated prior to ABR Loans under the Revolving

Facility. A certificate of an Issuing Lender submitted to any L/C Participant with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

(b) Whenever, at any time after an Issuing Lender has made payment under any Letter of Credit and has received from any L/C Participant its prorata share of such payment Vesting Date determined in accordance with Section 2.8(a), such Issuing Lender receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of collateral applied thereto by such Issuing Lender), or any payment of interest on account thereof, such Issuing Lender will distribute to such L/C Participant its prorata share thereof; provided, however, that in the event that any such payment received by such Issuing Lender shall be required to be returned by such Issuing Lender, such L/C Participant shall return to such Issuing Lender the portion thereof previously distributed by such Issuing Lender to it.

2.9. Reimbursement Obligations of the Borrower. If any draft is paid under any Letter of Credit, the Borrower shall reimburse the applicable Issuing Lender for the amount of (a) the draft so paid 4, and (b) any taxes, fees, charges or other costs or expenses incurred by such Issuing Lender in connection with such payment, not later than 12:00 Noon, New York City time, on (i) the Business Day that the Borrower receives notice of such draft, if such notice is received on such day prior to 10:00 A.M., New York City time, or (ii) if clause (i) above does not apply, the Business Day immediately following the day that the Borrower receives such notice (each such date, an "Honor Date"). Each such payment settlement shall be made

as provided in Section 6; provided that if at the time of the Qualifying Termination the Participant is eligible for Retirement, the Participant shall be entitled to receive a number of Performance Share Units equal to the applicable Issuing Lender at its address for notices referred product of (a) and (b), where (a) is equal to herein in Dollars and in immediately available funds. Interest shall be payable on any such amounts (except a fraction, the numerator of which is the number of full years of employment (rounded up to the extent deemed converted to a Revolving Loan as provided below) next highest whole integer) from the date on which the relevant draft is paid Date of Grant until payment in full at the rate set forth in (x) until the Business Day next succeeding the date of the relevant notice, Section 3.4(b) Qualifying Termination, and (y) thereafter, Section 3.4(c). If the Borrower fails to so reimburse any Issuing Lender denominator of which is three (3), and (b) is the number of Performance Share Units that otherwise would have been earned by the Honor Participant if the Participant's employment or provision of services had not terminated prior to the Vesting Date determined in accordance with Section 4, and settlement shall be made as provided in Section 6. Notwithstanding the Administrative Agent foregoing, if the Participant's employment with or provision of services for the Company and its Subsidiaries terminates by reason of Retirement or a Qualifying Termination after the Participant has reached age sixty-five (65) with five (5) years of service, this Award shall promptly notify each Revolving Lender fully vest, any forfeiture restrictions on this Award shall lapse on the date of such Retirement or Qualifying Termination, the Honor Participant shall be entitled to receive the full number of Performance Share Units that otherwise would have been earned by the Participant if the Participant's employment or provision of services had not terminated prior to the Vesting Date determined in accordance with Section 4, and settlement shall be made as provided in Section 6.

10. Other Termination of Employment or Provision of Services. Except as provided below, if the amount Participant's employment or provision of the unreimbursed drawing services (including as a Non-Executive Director) is terminated for any reason other than death, Disability, Retirement or a Qualifying Termination, this Award and the amount Performance Share Units represented by this Award that have not yet vested as of such Revolving Lender's Revolving Percentage thereof. In date shall be forfeited to the Company forthwith and all rights of the

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Participant under this Award and such event, unvested Performance Share Units represented by this Award shall immediately terminate. For purposes of this Award, the Borrower termination date shall be the last day of employment or provision of services and shall not be extended by any actual or deemed period of notice of termination, whether under statute, common law, contract or otherwise. For purposes of this Award, the Participant's employment or provision of services shall be deemed to have requested a Revolving Loan of ABR Loans terminated if the entity for which the Participant is employed or providing services ceases to be disbursed on a Subsidiary. In addition, the Honor Date in an amount Participant's employment or service will be deemed to have terminated for Cause, if after the Participant's employment or service has terminated, facts and circumstances are discovered that would have justified a termination for Cause (and any Shares that may have been issued upon settlement of vested Performance Share Units after the occurrence of the conduct that would have justified a termination for Cause shall be subject to recoupment by the Company, and if such Shares are no longer held by the Participant, then the Participant shall pay to the Company a sum equal to the unreimbursed drawing, without regard Fair Market Value of the Shares at the time such Shares were issued). Any determination of Cause shall be made by the Committee, in its sole discretion. For purposes of this Award Agreement (other than for purposes of determinations made under Article 11 of the Plan), "Cause" shall mean (i) the willful and continued failure by the Participant to substantially perform his or her duties with the Company and its Subsidiaries (other than any such failure resulting from his or her incapacity due to physical or mental illness), (ii) the engaging by the Participant in conduct which is demonstrably and materially injurious to the minimums Company or its Subsidiaries, monetarily or otherwise, (iii) the engaging by the Participant in fraud, breach of fiduciary duty, dishonesty, misappropriation or other actions that cause damage to the property or business of the Company or its Subsidiaries, or (iv) the Participant's conviction of, or entering a plea of *nolo contendere* to, a felony. Notwithstanding the foregoing, if the Participant's employment is terminated by the Company without Cause or the Participant voluntarily terminates his or her employment, (i) if the Participant is eligible for Retirement at the time of such termination, this Award shall partially vest, any forfeiture restrictions on such partially vested Award shall lapse on the date of such termination, the Participant shall be entitled to receive a number of Performance Share Units equal to the product of (a) and multiples specified (b), where (a) is equal to a fraction, the numerator of which is

the number of full years (i.e., 365-day periods) of employment from the Date of Grant until the date of such termination, and the denominator of which is three (3), and (b) is the number of Performance Share Units that otherwise would have been earned by the Participant if the Participant's employment had not terminated prior to the Vesting Date determined in accordance with Section 4, and settlement shall be made as provided in Section 2.2 for 6 or (ii) if the principal amount Participant has reached age sixty-five (65) with five (5) years of ABR Loans, but subject service at the time of such termination, this Award shall fully vest, any forfeiture restrictions on this Award shall lapse on the date of such termination, the Participant shall be entitled to receive the full number of Performance Share Units that otherwise would have been earned by the Participant if the Participant's employment or provision of services had not terminated prior to the Vesting Date determined in accordance with Section 4, and settlement shall be made as provided in Section 6.

11. Withholding Taxes. No later than the date as of which an amount of unutilized portion first becomes includible in the gross income of the aggregate Available Revolving Commitment and Participant for income tax purposes with respect to the conditions set forth Award granted hereunder, the Participant shall make arrangements satisfactory to the Company regarding the payment of any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount. Unless the Participant elects, with respect to each particular vesting event, to satisfy his or her withholding obligation with a cash payment in Section 5.2 (other than delivery of a notice of borrowing); provided, that if accordance with rules established by the conditions set forth in Section 5.2 are not satisfied at such time, then no Revolving Loan Committee, the Participant shall be deemed requested to have, and by his or her signature hereto hereby does, instruct the Borrower shall not be relieved from its Reimbursement Obligations.

2.10. Obligations Absolute. The Borrower's Company to satisfy the Company's minimum statutory withholding obligations under this Section 2 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment with Shares that the Borrower may have or have had against any Issuing Lender, any beneficiary of a Letter of Credit or any other Person. The Borrower also agrees with each Issuing Lender that such Issuing Lender shall not be responsible for, and the Borrower's Reimbursement Obligations under Section 2.9 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove are to be invalid, fraudulent or forged, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee. No Issuing Lender shall be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, delivered in connection with the vesting and issuance of Shares under the Award. Changes to this instruction to pay withholding obligations in Shares (i.e., to make arrangements to pay withholding obligations in cash) can only be made during the "trading window" prior to the vesting event under the

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Company's Insider Trading Policy. Notwithstanding any Letter provision herein to the contrary, in the event an Award becomes subject to FICA taxes at a time when the Award would not otherwise vest pursuant to Section 3, the Company shall (and without providing the Participant with an election) settle a sufficient number of Credit, except for errors Performance Share Units determined based on the Fair Market Value on the date of settlement that does not exceed the applicable minimum statutory withholding tax obligation with respect to such FICA taxes and any federal, state or omissions found by local income taxes that may apply as a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct result of such Issuing Lender. The Borrower agrees accelerated settlement of Performance Share Units and the Company shall withhold such amounts to satisfy such FICA and any related income tax liability; provided, however, that any action taken or omitted by any Issuing Lender under or in connection with any Letter such accelerated settlement of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct, Performance Share Units shall be binding on the Borrower and shall not result in any liability of such Issuing Lender made only to the Borrower, extent permitted under Treasury Regulations section 1.409A-3(j)(4)(vi).

The obligations of the Company under the Plan shall be conditional on such payment arrangements, and the Company and its Subsidiaries shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the

Participant. The Committee may establish such procedures as it deems appropriate for the settlement of withholding obligations with Shares. **The Participant should consult his or her own tax advisor for more information concerning the tax consequences of the grant and settlement of Performance Share Units under this Award Agreement.**

2.11. 12. Letter Death of Credit Payments Participant. If any draft of the Performance Share Units shall vest upon the death of the Participant, any Shares to be delivered upon settlement shall be presented for payment under any Letter of Credit, registered in the applicable Issuing Lender shall promptly notify the Borrower name of the date and amount thereof. The responsibility estate of the applicable Issuing Lender Participant unless the Company shall have theretofore received in writing a beneficiary designation, in which event they shall be registered in the name of the designated beneficiary.

13. Special Forfeiture and Repayment Provisions.

(a) If the Participant, while providing services to the Borrower Company or any Subsidiary, or after cessation of such service, violates a confidentiality, non-competition or non-solicitation covenant or agreement, as determined by the Committee in connection with any draft presented for payment under any Letter its sole discretion, then (i) this Award and the Performance Share Units represented by this Award that have not yet vested as of Credit such date shall in addition to any payment obligation expressly

provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are substantially in conformity with such Letter of Credit.

2.12. Applications. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Section 2, the provision of this Section 2 shall apply.

SECTION 3. GENERAL PROVISIONS APPLICABLE TO LOANS AND LETTERS OF CREDIT

3.1. Optional Prepayments. The Borrower may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty, upon irrevocable notice delivered forfeited to the Administrative Agent no later than 11:00 A.M. Company forthwith and all rights of the Participant under this Award and such unvested Performance Share Units represented by this Award shall immediately terminate, and (ii) if any Performance Share Units have vested within the twelve (12)-month period immediately preceding the date of the earliest violation by the Participant (or following the date of the earliest violation), New York City time, three Business Days prior thereto, in then, upon the case of Eurodollar Term Benchmark Loans, and no later than 11:00 A.M., New York City time, one Business Day prior thereto, in Company's demand, the case of ABR Loans and, solely Participant shall immediately deliver to the extent applicable following a Benchmark Replacement Company certificate(s) for the number of Shares delivered upon settlement of such Performance Share Units or, otherwise pursuant if any shares have been sold, the Participant shall immediately remit to Section 3.6, 11:00 A.M., London time, five Business Days prior thereto, the Company, in cash, the case of RFR Loans, which notice shall specify the date and amount of prepayment and whether the prepayment is of Eurodollar Term Benchmark Loans or ABR Loans; provided, that if a Eurodollar Term Benchmark Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 3.10. Upon receipt proceeds of any such notice sale(s), Notwithstanding the Administrative Agent foregoing, in the event of a Change in Control, the Company's right to cancel the Award or to require forfeiture or repayment, as provided above, shall promptly notify each relevant Lender thereof. If terminate without prejudice to any such notice rights that the Company otherwise may have under applicable law.

(b) The Participant hereby acknowledges and agrees that the restrictions contained in this Section 13 are being made for the benefit of the Company in consideration of the Participant's receipt of the Award. The Participant further acknowledges and agrees that the receipt of the Award is given, the amount specified in such notice shall be due and payable a voluntary action on the date specified therein, together with (except in part of the case of Revolving Loans Participant and that are ABR Loans) accrued interest the Company is unwilling to such date on provide the amount prepaid. Partial prepayments of Revolving Loans shall be in an aggregate principal amount of \$1,000,000 or a whole multiple thereof. Prepayments of any tranche of Incremental Term Loans will be in such minimum principal amounts, and shall be applied, as specified in Award to the applicable Incremental Amendment governing such tranche. Participant without including the restrictions contained herein.

3.2. (c) Conversion The Participant hereby consents to a deduction from, and Continuation Options. vii) The Borrower may elect set-off against, any amounts owed to the Participant by the Company or its Subsidiaries from time to time to convert Eurodollar Term Benchmark Loans to ABR Loans by giving the Administrative Agent prior irrevocable notice of such election no later than 11:00 A.M., New York City time, on the Business Day preceding the proposed conversion date, provided that any such conversion of Eurodollar Term Benchmark Loans may only be made on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert ABR Loans to Eurodollar Term Benchmark

Loans by giving the Administrative Agent prior irrevocable notice of such election no later than 11:00 A.M., New York City time, on the third Business Day preceding the proposed conversion date (which notice shall specify the length of the initial Interest Period therefor), provided that no ABR Loan under a particular Facility may be converted into a **Eurodollar Term Benchmark** Loan when any Event of Default has occurred and is continuing and the Administrative Agent or the Majority Facility Lenders in respect of such Facility have determined in its or their sole discretion not to permit such conversions. Upon receipt extent of any such notice amounts owed to the Administrative Agent shall promptly notify each relevant Lender thereof.

(a) Any **Eurodollar Term Benchmark** Loan may be continued as such upon the expiration of the then current Interest Period with respect thereto Company by the Borrower giving irrevocable notice to the Administrative Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1, of the length of the next Interest Period to be applicable to such Loans, provided that no **Eurodollar Term Benchmark** Loan under a particular Facility may be continued as such when any Event of Default has occurred and is continuing and the Administrative Agent has or the Majority Facility Lenders in respect of such Facility have determined in its or their sole discretion not to permit such continuations, and provided, further, that if the Borrower shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso such Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. Participant hereunder.

3.3. Limitations on **Eurodollar Term Benchmark** Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of **Eurodollar Term Benchmark** Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to

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such elections so that, (a) after giving effect thereto, the aggregate principal amount of the **Eurodollar Term Benchmark** Loans comprising each **Eurodollar Term Benchmark** Tranche shall be equal to \$3,000,000 or a whole multiple of \$1,000,000 in excess thereof and (b) no more than twenty **Eurodollar Term Benchmark** Tranches shall be outstanding at any one time.

3.4. (d) **Interest Rates** The forfeiture and Payment Dates. viii) Each **Eurodollar Term Benchmark** Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the **Eurodollar Adjusted Term SOFR** Rate determined for such day plus the Applicable Margin.

(a) Each ABR Loan shall bear interest at a rate per annum equal to the ABR plus the Applicable Margin.

(b) (i) If all or a portion of the principal amount of any Loan or Reimbursement Obligation shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to (x) in the case of the Loans, the rate that would otherwise be applicable thereto pursuant to the foregoing repayment provisions of this Section plus 2% or (y) Award are in addition to, and not in lieu of, any other remedies that the Company may have in the case event of Reimbursement Obligations, a violation by the rate applicable to ABR Loans under the Revolving Facility plus 2%, and (ii) if all or a portion Participant of any interest payable on confidentiality, non-competition or non-solicitation covenant in any Loan or Reimbursement Obligation agreement between the Participant and the Company or any undrawn fee of its Subsidiaries.

14. **Incentive Compensation Recoupment Policy.** The Participant hereby further agrees that the Participant shall be subject to any clawback, recoupment or other amount payable hereunder shall not similar policy that the Company adopts, including the Company's Executive Incentive Compensation Recoupment Policy, and acknowledges and agrees that the Award, the Shares issued and/or amounts paid or to be paid when due (whether at the stated maturity, by acceleration hereunder and/or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate then applicable to ABR Loans under the relevant Facility plus 2% (or, in the case of any such other amounts that do not relate to a particular Facility, the rate then applicable to ABR Loans under the Revolving Facility plus 2%), in each case, received with respect to clauses (i) and (ii) above, from the date any sale of such nonpayment until such amount is paid in full (as well after as before judgment).

(c) **Interest Shares**, shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant subject to paragraph (c) of this Section shall be payable from time to time on demand.

3.5. **Computation of Interest and Fees.** ix) Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, with respect to ABR Loans the rate of interest on which is calculated on the basis of the Prime Rate, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of each determination of a **Eurodollar Adjusted Term SOFR** Rate. Any change in the

interest rate on a Loan resulting from a change in the ABR ~~potential cancellation, recoupment, rescission, payback or the Eurocurrency Reserve Requirements~~ shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(a) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 3.4(a).

3.6. Alternate Rate of Interest.

(a) Subject to clauses (b), (e), (d), (e), (f) and (g) of this Section 3.6, if prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, that adequate and reasonable means do not exist for ascertaining the Eurodollar Adjusted Term SOFR Rate or the Eurodollar Base Term SOFR Rate, as applicable (including because the Screen Term SOFR Reference Rate is not available or published on a current basis), for such Interest Period, provided that no Benchmark Transition Event shall have occurred at such time, or (B) at any time, that

adequate and reasonable means do not exist for ascertaining the applicable Adjusted Daily Simple SOFR or Daily Simple SOFR, or

(ii) the Administrative Agent is advised by the Required Lenders that the Eurodollar Rate or the Eurodollar Base (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, the Adjusted Term SOFR Rate or the Term SOFR Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period, or (B) at any time, Adjusted Daily Simple SOFR will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing.

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone, telecopy or electronic mail as promptly as practicable thereafter and, until (x) the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (A) and (y) the Borrower delivers a new conversion or continuation request or borrowing request, as applicable, other action in accordance with the terms of this Agreement, any request to convert any Borrowing to, or continue any Borrowing as, a Borrowing of Eurodollar Term Benchmark Loans shall be ineffective such policy. The Participant agrees and (B) any request for a Borrowing of Eurodollar Term Benchmark Loans shall be made as a Borrowing of ABR Loans instead be deemed to be a conversion or continuation request or borrowing request, as applicable, for (x) an RFR Borrowing so long as the Adjusted Daily Simple SOFR is not also the subject of Section 3.6(a)(i) or (ii) above or (y) an ABR Borrowing if the Adjusted Daily Simple SOFR also is the subject of Section 3.6(a)(i) or (ii) above; provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other Type of Borrowings shall be permitted. Furthermore, if any Term Benchmark Loan is outstanding on the date of the Borrower's receipt of the notice from the Administrative Agent referred to in this Section 3.6(a) with respect consents to the Adjusted Term SOFR Rate Company's application, implementation and enforcement of (i) any such policy established by the Company that may apply to the Participant and (ii) any provision of applicable law relating to cancellation, recoupment, rescission or the Term SOFR Rate, then until (x) the Administrative Agent notifies the Borrower payback of compensation, and the Lenders expressly agrees that the circumstances giving rise Company may take such actions as are necessary to effectuate such notice no longer exist with respect to policy or applicable law without further consent or action being required by the relevant Benchmark and (y) Participant. To the Borrower delivers a new conversion or continuation request or borrowing request, as applicable, in accordance with extent that the terms of this Award Agreement any Term Benchmark Loan and such policy conflict, then the terms of such policy shall on the last day prevail.

15. Change in Control. The provisions of Article 11 of the Interest Period Plan applicable to a Change in Control shall apply to this Award, and the Committee may take such Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Administrative Agent to, and shall constitute, (x) an RFR Borrowing so long actions as the Adjusted Daily Simple SOFR is not also the subject of Section 3.6(a)(i) or (ii) above or (y) an ABR Loan if the Adjusted Daily Simple SOFR also is the subject of Section 3.6(a)(i) or (ii) above, on such day.

(b) Notwithstanding anything it deems appropriate pursuant to the contrary herein or Plan; provided, however, that for all purposes of Article 11 of the Plan and the Company's Executive Change in any other Loan Document (and any Swap Agreement) Control Severance Plan, the Performance Criteria shall be deemed to have been achieved at the target level provided in Section 4, except that if the Change in Control occurs after the first fiscal year of the Performance Period and the actual level of achievement (based on one, two or three full fiscal years) is higher than the target level, then the actual level of achievement shall be used to determine the level of achievement of the Performance Criteria, or in the case of the assumption or substitution of this Award, the number of shares of restricted stock or restricted stock units of the assumed or substituted award (any such restricted stock or restricted stock units to have a vesting date that corresponds to the third anniversary of the Grant Date). Settlement shall be made as provided in Section 6.

16. Nature of Grant. In accepting this Award, the Participant acknowledges and agrees that:

- (a) the Plan is established voluntarily by the Company, is discretionary in nature and may be amended, suspended or terminated by the Company at any time;
- (b) the grant of this Award is voluntary and occasional and does not create any contractual or other right to receive future grants of Awards, or benefits in lieu of Awards, even if Awards have been granted repeatedly in the past;
- (c) all decisions with respect to future grants of Awards, if any, will be at the sole discretion of the Company;
- (d) the Participant's participation in the Plan is voluntary;
- (e) the Participant's participation in the Plan shall not create a right to further employment with the Company or any Subsidiary, and shall not interfere with the ability of the Company or any Subsidiary to terminate the Participant's employment relationship at any time;
- (f) this Award is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or any Subsidiary and is outside the scope of the Participant's employment or service contract, if any;

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- (g) the future value of the Shares underlying this Award is unknown and cannot be predicted with certainty;
- (h) no claim or entitlement to compensation or damages shall arise from the forfeiture of unvested Performance Share Units under the Award resulting from the Participant's termination of service (for any reason whatsoever and whether or not in breach of local labor laws), and in consideration of this Award to which the Participant is otherwise not entitled, the Participant irrevocably agrees never to institute any claim against the Company and/or any Subsidiary, waives the Participant's ability, if any, to bring any such claim, and releases the Company and/or any Subsidiary from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims; and
 - (i) for a Participant residing outside of the United States:
 - (A) this Award and any Shares acquired under the Plan are not intended to replace any pension rights or compensation;
 - (B) this Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, dismissal, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be a "Loan Document" considered as compensation for, or relating in any way to past services for the Company or any Subsidiary; and

(C) in the event of the Participant's termination of service (whether or not in breach of local labor laws), the Participant's right to vest under the Plan, if any, will terminate effective as of the date of termination of service; and the Committee shall have the exclusive discretion to determine when the Participant is no longer actively providing service for purposes of this Section 3.6), if a Benchmark Transition Event Award.

17. Effect of Amendment of Plan; Amendment of Award Agreement. No discontinuation, modification or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting amendment of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) Plan may, without the express written consent 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 Loan 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 Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (32) 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 Loan 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 date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(e) Notwithstanding anything to the contrary herein or in any other Loan 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 the applicable Benchmark Replacement will replace the then current

Benchmark for all purposes hereunder or under any Loan 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 Loan Document; provided that, this clause (e) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Borrower a Term SOFR Notice. For the avoidance of doubt, the Administrative Agent shall not be required to deliver a Term SOFR Notice after a Term SOFR Transition Event and may do so in its sole discretion.

(c) [Reserved].

(d) In connection with the implementation of a Benchmark Replacement, Notwithstanding anything to the contrary herein or in any other Loan Document, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(e) The Administrative Agent will promptly notify the Borrower and the Lenders 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, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (d) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 3.6, 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 to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 3.6.

(f) Notwithstanding anything to the contrary herein or in any other Loan 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 the Adjusted Term SOFR or Eurodollar Base Rate) 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 Administrative Agent 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 Administrative Agent may modify the definition of "Interest 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 Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(g) Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Eurodollar Term Benchmark Borrowing of, conversion to or continuation of Eurodollar Term Benchmark Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to ABR Loans (A) an RFR Borrowing so long as the Adjusted Daily Simple SOFR is not the subject of a Benchmark Transition Event or (B) an ABR Borrowing if the Adjusted Daily Simple SOFR is the subject of a Benchmark Transition Event. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR. Furthermore, if any Term Benchmark Loan is outstanding on the date of the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to the Adjusted Term SOFR Rate or the Term SOFR Rate, then until such time as a Benchmark Replacement is implemented

pursuant to this Section 3.6, any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Administrative Agent to, and shall constitute, (x) an RFR Borrowing so long as the Adjusted Daily Simple SOFR is not the subject of a Benchmark Transition Event or (y) an ABR Loan if the Adjusted Daily Simple SOFR is the subject of a Benchmark Transition Event, on such day.

3.7. Pro Rata Treatment and Payments. x) Each borrowing by the Borrower from the Revolving Lenders hereunder, each payment by the Borrower on account of any undrawn fee and any reduction or termination of the Revolving Commitments of the Revolving Lenders shall be made prorata according to the respective Revolving Percentages of the Revolving Lenders, except as otherwise permitted in Sections 3.14(e) and 10.1(b).

(a) Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Incremental Term Loans shall be applied as set forth in the applicable Incremental Amendment governing such tranche of Incremental Term Loans paid.

(b) Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Revolving Loans shall be made prorata according to the respective outstanding principal amounts of the Revolving Loans then held by the Revolving Lenders, except as otherwise permitted in Sections 3.14(e) and 10.1(b).

(c) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim and shall be made prior to 12:00 Noon, New York City time, on the due date thereof to the Administrative Agent, for the account of the Lenders, at the Funding Office, in Dollars and in immediately available funds. The Administrative Agent shall distribute such payments to each relevant Lender promptly upon receipt in like funds as received net of any amounts owing by such Lender pursuant to Section 9.7. If any payment hereunder (other than payments on the Eurodollar Term Benchmark Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Eurodollar Term Benchmark Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(d) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon, at a rate equal to the greater of (i) the New York Fed Bank Rate and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days after such Borrowing Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to ABR Loans under the relevant Facility, on demand, from the Borrower.

(e) Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment due to be made by the Borrower hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the

Borrower is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective prorata shares of a

corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within three Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average New York Fed Bank Rate. Nothing herein shall be deemed to limit Participant, adversely affect the rights of the Administrative Agent Participant under this Award, except as expressly provided under the Plan.

This Award Agreement may be amended as provided under the Plan, but except as provided thereunder any such amendment shall not adversely affect Participant's rights hereunder without Participant's consent.

18. No Limitation on Rights of the Company; Adjustment of Award. The grant of this Award shall not in any way affect the right or power of the Company to make adjustments, reclassifications or changes in its capital or business structure or to merge, consolidate, dissolve, liquidate, sell or transfer all or any Lender against the Borrower.

(f) If any Lender part of its business or assets. The number and kind of shares subject to this Award and other related terms shall fail to make any payment required to be made by it pursuant to Section 2.8(a), 3.7(e), 3.7(f) or 9.7, then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received adjusted by the Administrative Agent for the account of such Lender for the benefit Committee in accordance with Section 12.2 of the Administrative Agent or any Issuing Lender to satisfy such Lender's obligations to it under such Sections until all such unsatisfied obligations are fully paid, and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion. Plan.

3.8. 19. Requirements of Compliance with Applicable Law. xi) If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender or other Credit Party with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority (any such occurrence, a "Change in Law") made subsequent to the date hereof:

(i) shall subject any Credit Party to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any Application or any Eurodollar Term Benchmark Loan made by it, or change the basis of taxation of payments to such Lender or Issuing Lender in respect thereof, in each case except for Non-Excluded Taxes covered by Section 3.9 and taxes described in any of Section 3.9(a)(i) through (iv);

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the Eurodollar Adjusted Term SOFR Rate; or

(iii) shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender (or, in the case of (i), to such Lender or Issuing Lender), by an amount that such Lender (or, in the case of (i), such Lender or Issuing Lender) deems to be material, of making, converting into, continuing or maintaining Eurodollar Term Benchmark Loans or issuing or participating in Letters of Credit, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrower shall promptly pay such Lender (or, in the case of (i), such Lender or Issuing Lender), upon its demand, any additional amounts necessary to compensate such Lender (or, in the case of (i), such Lender or Issuing Lender), for such increased cost or reduced amount receivable. If any Lender or Issuing Lender becomes entitled to claim any additional amounts pursuant to this paragraph, it shall promptly notify the Borrower (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled.

xii) If any Lender shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or liquidity requirements or in the interpretation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy or liquidity (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder or under or in respect of any Letter of Credit to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy or liquidity) by

an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the Borrower (with a copy to the Administrative Agent) of a written request therefor, the Borrower shall pay

to such Lender such additional amount or amounts as will compensate such Lender or such corporation for such reduction.

(b) Notwithstanding anything herein to the contrary, (i) the Company shall not be obligated to issue or deliver or cause to be issued or delivered any certificates for Shares, unless and until the Company is advised by its counsel that the issuance and delivery of such certificates is in compliance with all requests, rules, guidelines, applicable laws, regulations of governmental authority, and the requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or of any successor or similar authority) or by United States or foreign regulatory authorities, exchange upon which Shares are traded. The Company shall in each case no event be obligated to register any securities pursuant to the Securities Act of 1933 (as now in effect or by way as hereafter amended) or to take any other action in order to

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cause the issuance and delivery of implementing Basel III, and (ii) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder such certificates to comply with any such law, regulation or issued in connection therewith or in implementation thereof, shall in each case be deemed to be requirement. The Company may require, as a change in law, regardless condition of the date enacted, adopted, issued issuance and delivery of such certificates and in order to ensure compliance with such laws, regulations and requirements, that the Participant makes such covenants, agreements and representations as the Company, in its sole discretion, considers necessary or implemented,desirable.

(c) A certificate 20. Agreement Not a Contract of Employment or Other Relationship. This Award Agreement is not a contract of employment, and the terms of employment of the Participant or other relationship of the Participant with the Company or any of its Subsidiaries shall not be affected in any way by this Award Agreement except as specifically provided herein. The execution of this Award Agreement shall not be construed as conferring any legal rights upon the Participant for a continuation of an employment or other relationship with the Company or any of its Subsidiaries, nor shall it interfere with the right of the Company or any of its Subsidiaries to any additional amounts payable pursuant discharge the Participant and to this Section submitted by any Lender treat him or her without regard to the Borrower (with effect which such treatment might have upon him or her as a copy Participant.

21. Data Privacy. As a condition of acceptance of this Award, the Participant explicitly and unambiguously consents to the Administrative Agent) shall be conclusive collection, use and transfer, in the absence electronic or other form, of manifest error. Notwithstanding anything to the contrary personal data as described in this Section 21 by and among, as applicable, the Borrower shall not Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that the Company and its Subsidiaries hold certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company or any Subsidiary, and details of all Awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor (the "Data"), for the purpose of implementing, managing and administering the Plan. The Participant further understands that the Company and its Subsidiaries may transfer the Data amongst themselves as necessary for the purpose of implementation, management and administration of the Participant's participation in the Plan, and that the Company and its Subsidiaries may each further transfer the Data to any third parties assisting the Company in the implementation, management and administration of the Plan. The Participant understands that these recipients may be located in the Participant's country, or elsewhere, and that the recipient's country may have different data privacy laws and protections than the Participant's country. The Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Participant, through participation in the Plan and acceptance of an Award under the Plan, authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, managing and administering the Participant's participation in the Plan, including

any requisite transfer of such Data as may be required to compensate a Lender pursuant broker or other third party with whom the Participant may elect to this Section for deposit any amounts incurred more than nine months prior Shares. The Participant understands that the Data will be held only as long as is necessary to implement, manage and administer the Participant's participation in the Plan. The Participant understands that if he or she resides outside of the United States, he or she may, at any time, view the Data, request additional information about the storage and processing of the Data, require any necessary amendments to the date Data, or refuse or withdraw the consents herein in writing, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Participant understands that such Lender notifies he or she is providing the Borrower of such Lender's intention to claim compensation therefor; provided that, consents herein on a purely voluntary basis. If the Participant does not consent, or if the circumstances giving rise Participant later seeks to revoke his or her consent, the Participant's employment status and position with the Company or its Subsidiary will not be affected; the only adverse consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant the Participant Awards or administer or maintain such claim have a retroactive effect, then such nine-month period Awards. Therefore, the Participant understands that refusing or withdrawing the Participant's consent may affect his or her ability to participate in the Plan. For

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more information on the consequences of refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

22. **Notices.** Any notice or other communication required or permitted hereunder shall be extended in writing and shall be delivered personally or sent by certified, registered or express mail, postage prepaid, return receipt requested, or by a reputable overnight delivery service. Any such notice shall be deemed given when received by the intended recipient.

23. **Governing Law.** Except to include the period of such retroactive effect. The obligations extent preempted by Federal law, this Award Agreement shall be construed and enforced in accordance with, and governed by, the laws of the Borrower pursuant State of New York without regard to this Section any principles thereof relating to the conflicts of laws that would result in the application of the laws of any other jurisdiction. The Parties agree that the state and federal courts located in the State of New York, County of Suffolk, shall survive the termination have exclusive jurisdiction in any action, suit or proceeding based on or arising out of this Award Agreement and the payment Parties hereby: (a) submit to the personal jurisdiction of the Loans such courts; (b) consent to service of process in connection with any action, suit or proceeding; (c) agree that venue is proper and all other amounts payable hereunder.

3.9. **Taxes.** xiii) All payments made by or on behalf of any Loan Party under this Agreement or convenient in such forum; (d) waive any other Loan Document shall be made free and clear requirement (whether imposed by statute, rule of and without deduction court or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding (i) net income taxes, branch profits taxes and franchise taxes (imposed in lieu of net income taxes) imposed on the Administrative Agent or any Lender as a result of a present or former connection between the Administrative Agent or such Lender and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document), (ii) withholding taxes imposed under FATCA, (iii) taxes that are attributable to a Lender's failure to comply with the requirements of paragraph (d) of this Section, or (iv) withholding taxes resulting from any Requirement of Law in effect on the date such Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from a Loan Party otherwise) with respect to such taxes pursuant to this Section 3.9(a); provided, personal jurisdiction, subject matter jurisdiction, venue or service of process; and (e) waive the right, if any, such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") or Other Taxes are required to be withheld from any amounts payable to the Administrative Agent or any Lender hereunder or under any other Loan Document, as determined in good faith by the applicable Withholding Agent, such amounts shall be paid to the relevant Governmental Authority in accordance with applicable law, and the amounts so payable to the Administrative Agent or such Lender shall be increased to the extent

necessary to yield to the Administrative Agent or such Lender (after payment of all Non-Excluded Taxes and Other Taxes) the amounts it would have received had no such withholding or deduction been made. a jury trial.

(a) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law, unless such Other Taxes are excluded under 3.9(a)(iii).

(b) Whenever any Non-Excluded Taxes or Other Taxes are payable by a Loan Party, as promptly as possible thereafter such Loan Party shall send to the Administrative Agent for its own account or for the account²⁴. Acknowledgment; Interpretation of the relevant Lender, as the case may be, a certified copy Award Agreement and Plan. The Participant acknowledges receipt of an original official receipt received by such Loan Party showing payment thereof, a copy of the return reporting such payment Plan, and represents that the Participant is familiar with the terms and provisions thereof, and hereby accepts this Award subject to all the terms and provisions of this Award Agreement and of the Plan. The Participant hereby agrees to accept as binding, conclusive and final all decisions or other evidence interpretations of payment reasonably satisfactory to the Administrative Agent. If (i) a Loan Party fails to pay any Non-Excluded Taxes or Other Taxes when due to the appropriate taxing authority, (ii) a Loan Party fails to remit to the Administrative Agent the required receipts or other required documentary evidence or (iii) any Non-Excluded Taxes or Other Taxes are imposed directly upon the

Administrative Agent or any Lender, the applicable Loan Party shall indemnify the Administrative Agent and the Lenders for such amounts and for any incremental taxes, interest or penalties that may become payable by the Administrative Agent or any Lender as a result of any such failure, in the case of (i) and (ii), or any such direct imposition, in the case of (iii).

(c) (i) Any Lender that is entitled to an exemption from, or reduction of, any applicable withholding tax Committee with respect to any payments questions arising under any Loan Document shall deliver this Award Agreement or the Plan.

25. Entire Agreement. The Plan and this Award Agreement constitute the entire agreement and understanding of the Parties with respect to the Borrower subject matter of this Award Agreement, and supersede all prior understandings and agreements, whether oral or written, between the Parties hereto with respect to the specific subject matter hereof. To the extent any provisions of the Award Agreement are inconsistent or in conflict with any terms or provisions of the Plan, the Plan shall govern.

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I have read, understand and agree to abide by the terms of this Award Agreement, the Plan and the Administrative Agent, at most recently executed Associate Confidentiality, Non-Solicitation and Non-Competition Agreement that I entered into with the time Company (the "Associate Agreement"). By checking the box labeled "I Agree," or times reasonably requested by otherwise electronically indicating my acceptance of this Award Agreement, I hereby acknowledge that the Borrower or grant of the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without, or at a reduced rate of, withholding. In addition, any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to any withholding (including backup withholding) or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 3.9(d)(ii)(A) through (F) and 3.9(d)(iii) below) shall not be required if in the Lender's judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense (or, in the case of a change in any Requirement of Law, any incremental material unreimbursed cost or expense) or would materially prejudice the legal or commercial position of such Lender. Upon the reasonable request of such Borrower or the Administrative Agent, any Lender shall update any form or certification previously delivered Performance Share Units pursuant to this Section 3.9(d). If any form or certification previously delivered pursuant Award Agreement is consideration for my entering into and complying with the

Associate Agreement. I understand this Award Agreement, the Plan and the Associate Agreement in all respects and the terms and conditions of the Performance Share Units granted to me.

FOR MSC INDUSTRIAL DIRECT CO., INC. USE ONLY

ACCEPTED BY MSC INDUSTRIAL DIRECT CO., INC.

By: Neal Dongre, Vice President, General Counsel & Corporate Secretary

/s/ Neal Dongre

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EXHIBIT 10.4

MSC EXECUTIVE SEVERANCE PLAN

Amended and Restated Effective (March 21, 2023)

MSC EXECUTIVE SEVERANCE PLAN

This document sets forth the terms and conditions of the MSC Executive Severance Plan (the "Plan"), which is hereby adopted by MSC Industrial Direct Co., Inc. ("MSC") for the benefit of the eligible employees of MSC and its subsidiaries to this Section expires or becomes obsolete or inaccurate in any respect with respect to this document. MSC and all such designated subsidiaries hereinafter are referred to, a Lender, such Lender shall promptly (and in any event within 10 days after such expiration, obsolescence or inaccuracy) notify such Borrower individually and collectively, as the Administrative Agent in writing of such expiration, obsolescence or inaccuracy and update "Company." This document sets forth the form or certification if it is legally eligible to do so.

(ii) Without limiting the generality of the foregoing, if the Borrower Plan and is a U.S. Person, any Lender with respect applicable to such Borrower shall, if it is legally eligible to do so, deliver to such Borrower and the Administrative Agent (in such number of copies reasonably requested by such Borrower and the Administrative Agent) on or prior to the date on which such Lender becomes a party hereto, duly completed and executed copies of whichever employees of the following is applicable:

(A) Company who participate in the case of a Lender that is a U.S. Person, IRS Form W-9 (or successor form) certifying that such Lender is exempt from U.S. federal backup withholding tax; Plan in accordance with Sections 2 and 3 below.

(B) in the case of a Lender that is not a U.S. Person (a "Section 1. Non-U.S. Lender Effective Date and Plan Year") claiming the benefits of an income tax treaty to which the United States is a party (1) with respect to payments of interest under any Loan Document, IRS Form W-8BEN (or successor form) establishing an exemption from, or reduction of, U.S. federal withholding tax pursuant to the "interest" article of such tax treaty and (2) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN (or successor form) establishing an exemption from, or reduction of, U.S. federal withholding tax pursuant to the "business profits" or "other income" article of such tax treaty;

(C) in the case of a Non-U.S. Lender for whom payments under any Loan Document constitute income that is effectively connected with such Lender's conduct of a trade or business in the United States, IRS Form W-8ECI (or successor form).

(D) in the case of a Non-U.S. Lender claiming the benefits. The "Effective Date" of the exemption for portfolio interest under Section 881(c) Plan shall be October 27, 2016. The "Plan Year" shall be the 12-consecutive month period beginning on January 1 and ending on December 31; provided, however, that, the first Plan Year shall be a short Plan Year beginning on the Effective Date and ending on December 31, 2016. This amendment and restatement of the Code both (1) IRS Form W-8BEN (or successor form) and (2) a certificate substantially in the form of Exhibit E (a "U.S. Tax Certificate") to the effect that such Lender is not (a) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (b) a "10 percent Plan shall be effective March 21, 2023.

shareholder" ofSection 2. Eligibility for Participation. Each person who is customarily employed by the Borrower within the meaning of Section 881(c)(3)(B) of the Code Company as a Vice President, Senior Vice President or (c) Executive Vice President (an "Eligible Associate") who experiences a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code;

(E) "Qualifying Termination" (as defined below) shall be a participant in the case Plan, other than any person who is covered by an employment, severance or similar agreement with the Company that provides for payment of a Non-U.S. Lender that is not the beneficial owner of payments made severance pay under any Loan Document (including a partnership or a participating Lender) (1) an IRS Form W-8IMY (or successor form) on behalf of itself and (2) the relevant forms prescribed in clauses (A), (B), (C), (D) and (F) of this paragraph (d)(ii) that would be required of each such beneficial owner or partner of such partnership if such beneficial owner or partner were a Lender; specified circumstances; provided, however, that if the Lender is a partnership and one or more of its partners are claiming the exemption for portfolio interest under Section 881(c) of the Code, such Lender may provide a U.S. Tax Certificate on behalf of such partners; or

(F) any other form prescribed by law as a basis for claiming exemption from, or a reduction of, U.S. federal withholding tax together with such supplementary documentation necessary to enable the Borrower or the Administrative Agent to determine the amount of tax (if any) required by law to be withheld.

(iii) If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Withholding Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Withholding Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Withholding Agent as may be necessary for the Withholding Agent to comply with its obligations under FATCA, to determine that such Lender has or has not complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 3.9(d)(iii), "FATCA"2, any agreement, plan or award or similar instrument providing for benefits upon a change in control of the Company shall include not be deemed to be such an agreement; provided, further, that there shall be no duplication of comparable benefits under the Plan and any amendments made such agreement, plan or award or similar instrument. Notwithstanding the foregoing, any person classified by the Company as an independent consultant, contractor, or temporary worker to FATCA after the Company will not be eligible for this severance program, even if it is later determined by a court or governmental agency that such person was or is an employee of the Company.

Section 3. Participation. Each Eligible Associate shall become a participant (a "Participant") in the Plan on the later of the Effective Date, or the date on which he or she has a Qualifying Termination. A Participant's participation in the Plan shall cease as of the date the Participant is no longer an Eligible Associate and is not entitled to any benefit provided under this Plan.

Section 4. Entitlement to a Severance Benefit.

(a) Subject to the provisions of this Section 4, each Participant who incurs a Qualifying Termination (as hereinafter defined) shall be eligible to receive a "Severance Benefit" under the Plan that is determined in accordance with Section 5 below. For purposes of the Plan, a "Qualifying Termination" means the occurrence of one of the following:

(i) The involuntary termination of the Participant's employment by the Company as a result of the elimination of such Participants' job or position with the Company because of reorganization, job elimination, or site closure;

(ii) The termination of the Participant's employment with the Company upon the Participant's failure to accept a material change in the geographic location where such Participant is required to primarily perform his or her services for the Company, such that the distance between the previous geographic location and the new geographic location exceeds 50 miles (one way); provided however that the Company must notify the Participant of

this termination of employment within 90 days of the Participant's refusal to accept this change in geographic location; or

(iii) The termination of the Participant's employment with the Company upon the Participant's failure to accept a reduction in such Participant's base salary of 20 percent or more; provided however that the Company must notify the Participant of this termination of employment within 90 days of the Participant's refusal to accept this reduction in base salary.

(b) As a condition of receiving any Severance Benefit under the Plan, each Participant shall be required to execute a separation agreement and general release (the "Agreement") in favor of the Company in such form and of such content as the Plan Administrator, in its sole discretion, may require and such Participant does not revoke the Agreement, to the extent the Agreement permits revocation. The Agreement shall not be executed prior to the date of the Participant's Qualifying Termination (the "Termination Date"). Notwithstanding any provision in the Plan to the contrary, if such required Agreement is not so executed by the terminated Participant or revoked, the Participant shall not be entitled to any payments or benefits under the Plan.

(c) Participants who are notified of their Qualifying Termination during what the Plan Administrator determines is a Company-approved leave of absence of less than six months will be eligible for a Severance Benefit under the Plan. In the event that such Company-approved leave (i) is for six months or longer or, (ii) as of the Termination Date, more than six months has elapsed since the beginning of such Company-approved leave and the Participant did not resume continuous active employment with the Company prior to the end of such six-month period, no Severance Benefit shall be payable to such Participant.

(d) In the event that a Participant dies after receipt of notification of a Qualifying Termination but prior to the Termination Date or prior to the full payment of any Severance Benefit to which the Participant is entitled, (i) any Severance Allowance that would have been paid to such Participant under the Plan shall be paid to his or her Beneficiary or estate, (ii) any Benefits Credit payment due under Section 6 below shall be made on behalf of the Participant's qualified beneficiaries (within the meaning of COBRA), and (iii) any Outplacement Services that are unused as of the date of a Participant's death shall be immediately forfeited. For purposes of this Agreement.

(d) Each Lender Plan, "Beneficiary" shall indemnify the Administrative Agent same beneficiary as the Participant has elected on the Company's life insurance plan or, if no such beneficiary is elected on the life insurance plan, the beneficiary election in place for the full amount of any taxes, levies, imposts, duties, charges, fees, deductions, withholdings or similar charges imposed by any Governmental Authority that are attributable to such Lender and that are payable or paid by Company's defined contribution plan.

(e) Notwithstanding anything in the Administrative Agent, together with all interest, penalties, reasonable costs and expenses arising therefrom or with respect thereto, as determined by the Administrative Agent in good faith. A certificate as Plan to the amount of such payment contrary, no Eligible Associate or liability delivered to any Lender by the Administrative Agent Participant shall be conclusive absent manifest error.

(e) If entitled to receive a Severance Benefit in the Administrative Agent or any Lender event that the Plan Administrator determines, in its sole discretion, that it has received a refund of any Non-Excluded Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 3.9, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 3.9 with respect to the Non-Excluded Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event and to the extent of the amount the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This paragraph shall not be construed to require the

Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

(f) The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

3.10. Indemnity. The Borrower agrees to indemnify each Lender for, and to hold each Lender harmless from, any loss or expense that such Lender may sustain or incur as a consequence of (a) default by the Borrower in making a borrowing of, conversion into or continuation of Eurodollar Term Benchmark Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrower in making any prepayment of or conversion from Eurodollar Term Benchmark Loans after the Borrower has given a notice thereof in accordance with the provisions of this Agreement or (c) the making of a prepayment of Eurodollar Term Benchmark Loans on a day that is not the last day of an Interest Period with respect thereto (whether such prepayment is voluntary, mandatory, automatic, by reason of acceleration (including as a result of a bankruptcy filing) or otherwise). Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amount so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein (excluding, however, the lost profits included therein, if any) over (ii) the amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the applicable interbank eurodollar market. A certificate as to any amounts payable pursuant to this Section submitted to the Borrower by any Lender shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

3.11. Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 3.8 or 3.9(a) with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event with the object of avoiding the consequences of such event; provided, that such designation is made on terms that, in the reasonable judgment of such Lender, cause such Lender and its lending office(s) to suffer no economic, legal or regulatory disadvantage for which it is not indemnified by Borrower, and provided, further, that nothing in this Section shall affect or postpone any of the obligations of the Borrower or the rights of any Lender pursuant to Section 3.8 or 3.9(a).

3.12. Replacement of Lenders. The Borrower shall be permitted to replace any Lender that (a) requests reimbursement for amounts owing pursuant to Section 3.8 or 3.9(a) or (b) becomes a Defaulting Lender, with a replacement financial institution; provided that (i) such replacement does not conflict with any Requirement of Law, (ii) no Event of Default shall have occurred and be continuing at the time of such replacement, (iii) prior to the Participant's Qualifying Termination, the Company had cause to terminate the Participant's employment for failure to meet Company-established performance criteria, the Participant's misconduct, or the Participant's violation of any such replacement, such Lender shall have taken no action under Section 3.11 so as to eliminate applicable Company policy; (ii) the continued need for payment of amounts owing pursuant to Section 3.8 or 3.9(a), (iv) Participant resigned from employment with the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or Company prior to the date the Participant's employment is scheduled to terminate, or (iii) prior to the Termination Date, the Participant received an offer of replacement, (v) employment from the Borrower Company or any affiliate thereof on terms that are comparable in the aggregate to those of the position held by the Participant with the Company prior to the Termination Date. Notwithstanding anything in the Plan to the contrary, payment and provision of any Severance Benefit shall cease and be forfeited, to the extent not previously paid or provided, immediately upon the Participant's acceptance of any offer of employment with the Company or any of its affiliates.

(f) In addition, if a Participant incurs a Qualifying Termination, and the Plan Administrator determines, in its sole discretion, that thereafter (i) the Participant breached any provision(s) of the Agreement described in Section 4(b) above, or (ii) the Participant breached any provision(s) of any confidentiality, non-compete, non-solicitation, non-disparagement or other restrictive covenant or similar agreement with the Company, any unpaid or unused Severance Benefit shall be liable immediately forfeited (including, without limitation, any Benefits Subsidy payment and any outplacement services) and the Participant shall immediately repay to the Company any amount(s) of Severance Allowance previously paid to such replaced Lender under Participant on account of such Qualifying Termination.

Section 3.10 if any 5. Eurodollar Determination of Severance Benefit Term Benchmark Loan owing. Subject to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (vi) the replacement financial institution shall be reasonably satisfactory to the Administrative Agent, (vii) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.6

(provided that 4 above and this Section 5, if a Participant incurs a Qualifying Termination, the Borrower Participant shall be obligated entitled to pay the registration and processing fee referred to therein), (viii) until such time as such replacement a "Severance Benefit." A "Severance Benefit" shall be consummated, the Borrower shall pay all additional amounts (if any) required pursuant to Section 3.8 or 3.9(a), as the case may be, and (ix) any such replacement shall not be deemed to be consist of a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

3.13. Borrower Repurchases. So long as no Default or Event of Default has occurred and is continuing, the Borrower (or an Affiliate of the Borrower) may from time to time purchase, "Severance Allowance" determined in accordance with this Section 3.13, Incremental Term Loans from one or more Lenders on a non-pro rata basis pursuant to 5, subject to a Dutch auction or other similar process (open to all Lenders on a pro rata basis), on terms to be agreed between the Borrower (or such Affiliate) and the Lenders agreeing to sell their

Incremental Term Loans in such Dutch auction or other similar process; provided that (i) the procedures with respect to any such Dutch auction or other similar process shall be approved by the Administrative Agent (such approval not to be unreasonably withheld), (ii) the principal amount Participant's eligibility (and eligibility of Incremental Term Loans purchased by the Borrower (or such Affiliate) shall be cancelled and such Incremental Term Loans shall no longer be outstanding for all purposes of this Agreement and the other Loan Documents and (iii) no proceeds members of the Revolving Facility shall be used to consummate such purchase. By initiating Participant's family), a Dutch auction or other similar process and repurchasing Incremental Term Loans pursuant to this Section 3.13, the Borrower shall be deemed to represent as of the date of such notice and purchase that the Borrower is not in possession of any information regarding any Loan Party, its assets, its ability to perform its Obligations or any other matter that may be material to a decision by any Lender to participate in such Dutch auction or other similar process or participate in any of the transactions contemplated thereby, that has not previously been disclosed to the Administrative Agent and the Lenders.

3.14. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unused Commitment of such Defaulting Lender pursuant to Section 2.3;

(b) the Revolving Commitment and Revolving Extensions of Benefits Credit of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 10.1); provided, that this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender affected thereby;

(c) if any L/C Obligations exist at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the L/C Obligations of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Revolving Percentage but only to the extent the sum of all non-Defaulting Lenders' Revolving Extensions of Credit does not exceed the total of all non-Defaulting Lenders' Revolving Commitments (any such excess, the "Excess Extensions of Credit");

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall, within one Business Day following notice by the Administrative Agent, cash collateralize for the benefit of the Issuing Lenders only the Borrower's obligations corresponding to such Defaulting Lender's L/C Obligations (after giving effect to any partial reallocation pursuant to clause (i) above) for so long as such L/C Obligations are outstanding, in each case only to the extent of the Excess Extensions of Credit;

(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's L/C Obligations pursuant to clause (ii) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.7(a) with respect to such Defaulting Lender's L/C Obligations during the period such Defaulting Lender's L/C Obligations are cash collateralized;

(iv) if the L/C Obligations of the non-Defaulting Lenders are reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 2.3 and Section 2.7 shall be adjusted in accordance with such non-Defaulting Lenders' Revolving Percentages; and

(v) if all or any portion of such Defaulting Lender's L/C Obligations is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of any Issuing Lender or any other Lender hereunder, and letter of credit fees payable under Section 2.7 with respect to such Defaulting Lender's L/C Obligations shall be payable to the Issuing Lenders until and to the extent that such L/C Obligations are reallocated and/or cash collateralized; and

(d) so long as such Lender is a Defaulting Lender, no Issuing Lender shall be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding L/C Obligations will be 100% covered by the Revolving Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower payment, determined in accordance with Section 3.14(c), 6 below, the Vesting Acceleration Benefit described in Section 7 below and, participating interests at the discretion of the Plan Administrator, "Outplacement Services" described in any newly issued or increased Letter Section 8 below.

(a) The amount of **Credita Participant's Severance Allowance** shall be allocated among non-Defaulting Lenders in a manner consistent with Section 3.14(c)(i) (and such Defaulting Lender shall not participate therein).

(e) Notwithstanding anything to the contrary in Section 3.7, the Borrower may (x) terminate the unused amount determined as of the Revolving Commitment of a Defaulting Lender or (y) repay Termination Date and shall equal the principal of and interest on the Revolving Loans then held by the Defaulting Lender, in each case upon not less than three Business Days' prior notice to the Administrative Agent (which will promptly notify the Lenders thereof); provided that the Revolving Commitments shall be permanently reduced by the principal amount of any such repayment; provided further, such termination or repayment will not be deemed to be a waiver or release of any claim the Borrower, the Administrative Agent, any Issuing Lender or any Lender may have against such Defaulting Lender.

If (i) a Bankruptcy Event or Bail-In Action with respect to any Lender Parent shall occur following the date hereof and for so long as such event shall continue or (ii) any Issuing Lender has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, such Issuing Lender shall not be required to issue, amend or increase any Letter of Credit, unless such Issuing Lender shall have entered into arrangements with the Borrower or such Lender, satisfactory to such Issuing Lender to defease any risk to it in respect of such Lender hereunder.

In the event that the Administrative Agent, the Borrower and the Issuing Lenders each agree that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the L/C Obligations of the Lenders shall be readjusted to reflect the inclusion of such Lender's Revolving Commitment as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans determined in accordance with its Revolving Percentage.

3.15. Incremental Facilities.

(a) The Borrower may at any time or from time to time after the Closing Date, by notice to the Administrative Agent (whereupon the Administrative Agent shall promptly deliver a copy to each of the Lenders) Section 5(a), request (x) one or more tranches of term loans (each such tranche, an **"Incremental Term Loan"** and collectively, the **"Incremental Term Loans"**) or (y) one or more increases in plus the amount determined in accordance with Section 5(b). The amount determined in accordance with this Section 5(a) shall be based on the Participant's level of the Revolving Commitments (each such increase, a **"Revolving Commitment Increase"** and, together employment with the **"Incremental Term Loans**, the **"Incremental Loans"**); provided that:

(i) both **Company** at the time of any such request and upon the effectiveness of any Incremental Amendment referred to below (an **"Incremental Loan Closing Date"**), no Default or Event of Default shall exist after giving effect to the extension of credit contemplated on the Incremental Loan Closing Date;

(ii) each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of the Incremental Loan Closing Date, as if made on and as of such date (except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date); and

(iii) the Borrower shall be in compliance with the covenants set forth in Section 7.1 determined on a **proforma** basis as of the most recently ended Reference Period as if (x) the Incremental Term Loans or (y) the additional Revolving Loans, as applicable, proposed to be borrowed on such Incremental Closing Date had been outstanding and fully borrowed on the

first day of such Reference Period of the Borrower for testing compliance therewith (bearing interest throughout the Reference Period at the rate applicable on the relevant Incremental Loan Closing Date).

Each Incremental Term Loan shall be in an aggregate principal amount that is not less than \$50,000,000 and each Revolving Commitment Increase shall be in an aggregate principal amount that is not less than \$50,000,000 (provided that such amount may be less than \$50,000,000 if such amount represents all remaining availability under the limit set forth in the next sentence). Notwithstanding anything to the contrary herein, the aggregate amount of any Incremental Loans, when taken together with all other Incremental Loans to date, shall not exceed \$300,000,000.

(b) The Incremental Loans shall rank pari passu in right of payment with the Revolving Loans. The Incremental Term Loans (i) shall not mature earlier than the Revolving Qualifying Termination Date and (ii) shall otherwise be on terms, including with respect to interest rate and amortization, and pursuant to documentation, to be determined by the Borrower, the Administrative Agent and the lenders thereunder. Other than with respect to the Applicable Margin or Undrawn Fee Rate, the terms of the Revolving Commitments and Revolving Loans made pursuant to a Revolving Commitment Increase shall be identical to the terms of the existing Revolving Commitments and Revolving Loans.

(c) Each notice from the Borrower pursuant to this Section shall set forth the requested amount and proposed terms of the relevant Incremental Loans. Incremental Term Loans may be made, and Revolving Commitment Increases may be provided, by any existing Lender or by any other bank or other financial institution as determined by the Borrower (any such other bank or other financial institution being called an "Additional Lender"); provided that (i) no Lender shall have any obligation to provide any Incremental Loan or commitment in respect thereof unless it agrees to do so in its sole discretion and (ii) the Administrative Agent shall have consented (not to be unreasonably withheld) to such Additional Lender.

(d) Commitments in respect of Incremental Term Loans and Revolving Commitment Increases shall become Commitments (or in the case of a Revolving Commitment Increase to be provided by an existing Revolving Lender, an increase in such Lender's applicable Revolving Commitment) under this Agreement pursuant to an amendment (an "Incremental Amendment") to this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, each Lender agreeing to provide such Commitment, if any, each Additional Lender, if any, and the Administrative Agent. The Incremental Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section. Each Additional Lender executing an Incremental Amendment shall become a Lender for all purposes and to the same extent as if originally a party hereto and shall be bound by and entitled to the benefits of this Agreement. The Borrower will use the proceeds of the Incremental Term Loans and Revolving Commitment Increases for any purpose not prohibited by this Agreement.

(e) Upon each increase in the Revolving Commitments pursuant to this Section, (i) each Revolving Lender immediately prior to such increase will automatically and without further act be deemed to have assigned to each Lender providing a portion of the Revolving Commitment Increase (each a "Revolving Commitment Increase Lender") in respect of such increase, and each such Revolving Commitment Increase Lender will automatically and without further act be deemed to have assumed, a portion of such Revolving Lender's participations hereunder in outstanding Letters of Credit such that, after giving effect to each such deemed assignment and assumption of participations, the percentage of the aggregate outstanding participations hereunder in Letters of Credit held by each Revolving Lender (including each such Revolving Commitment Increase Lender) will equal the percentage of the aggregate Revolving Commitments of all Revolving Lenders represented by such Revolving Lender's Revolving Commitment and (ii) if on the date of such increase, there are any Revolving Loans outstanding, such Revolving Loans shall on or prior to the effectiveness of such Revolving Commitment Increase be prepaid from the proceeds of additional Revolving Loans made hereunder (reflecting such increase in Revolving Commitments), which prepayment shall be accompanied by accrued interest on the Revolving Loans being prepaid and any costs incurred by any Lender in accordance with Section 3.10. The

Administrative Agent and the Lenders hereby agree that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to the immediately preceding sentence.

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans and issue or participate in the Letters of Credit, the Borrower hereby represents and warrants to the Administrative Agent and each Lender that:

4.1. **Financial Condition.** The audited consolidated balance sheets of the Borrower and its consolidated Subsidiaries as at August 30, 2014, August 29, 2015 and September 3, 2016, and the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for the fiscal years ended on such dates (collectively, the "Historical Financials"), reported on by and accompanied by an unqualified report from Ernst & Young LLP, present fairly the consolidated financial condition of the Borrower and its consolidated Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the respective fiscal years then ended. The unaudited consolidated balance

sheet of the Borrower and its consolidated Subsidiaries as at December 3, 2016, and the related unaudited consolidated statements of income, comprehensive income, shareholders' equity and cash flows for the 3-month period ended on such date (collectively, the "Interim Financials"), present fairly in all material respects the consolidated financial condition of the Borrower and its consolidated Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the 3-month period then ended (subject to normal year-end audit adjustments). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein) and the omission in unaudited consolidated financial statements of the information and footnotes not required under GAAP to be included in interim unaudited financial information. As of the Closing Date, except as set forth on Schedule 4.1, no Group Member has any material Guarantee Obligations, contingent liabilities and liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the most recent financial statements referred to in this paragraph. During the period from September 3, 2016 to and including the Closing Date there has been no Disposition by any Group Member of any material part of its business or property.

4.2. No Change. Since August 29, 2020, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect.

4.3. Existence; Compliance with Law. Each Group Member (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, except, with respect to any Restricted Subsidiary that is not a Loan Party, where the failure to be in good standing could not, in the aggregate, reasonably be expected to have a Material Adverse Effect, (b) has the power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation or other organization and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to so qualify or be in good standing could not, in the aggregate, reasonably be expected to have a Material Adverse Effect and (d) is in compliance with all Requirements of Law except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.4. Power; Authorization; Enforceable Obligations. Each Loan Party has the power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to obtain extensions of credit hereunder. Each Loan Party has taken all necessary organizational action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the extensions of credit on the terms and conditions of this Agreement. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the

extensions of credit hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Loan Documents, except consents, authorizations, filings and notices described in Schedule 4.4, which consents, authorizations, filings and notices have been obtained or made and are in full force and effect. Each Loan Document has been duly executed and delivered on behalf of each Loan Party party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

4.5. No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the issuance of Letters of Credit, the borrowings hereunder and the use of the proceeds thereof does not contravene, or constitute a default under, any Requirement of Law or any material Contractual Obligation of any Group Member and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation.

4.6. Litigation. Except as set forth on Schedule 4.6 attached hereto, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, threatened by or against any Group Member or against any of their respective properties or revenues (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby, or (b) that is reasonably likely to be determined adversely and, if so adversely determined, could reasonably be expected to have a Material Adverse Effect.

4.7. No Default. No Group Member is in default under or with respect to any of its Contractual Obligations in any respect that could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

4.8. Ownership of Property; Liens. Each Group Member has title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its other property, in each case material to its business and except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes, and none of such property is subject to any Lien except as permitted by Section 7.3.

4.9. Intellectual Property. Each Group Member owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted. As of the Closing Date, no material claim has been asserted and is pending by any Person challenging or questioning the use of any such Intellectual Property or the validity or effectiveness of any such Intellectual Property. The use of such Intellectual Property by each Group Member does not infringe on the rights of any Person in any material respect, except where such infringement, individually or in the aggregate, does not have a Material Adverse Effect.

4.10. Taxes. Each Group Member has filed or caused to be filed all Federal, state and other material tax returns that are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority, except (a) the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the relevant Group Member or (b) to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect; no material tax Lien has been filed (other than a tax Lien described in Section 7.3(a)), and, to the knowledge of the Borrower, no claim is being asserted, with respect to any such tax, fee or other charge, other than any such tax, fee or other charge described in clauses (a) or (b) above.

4.11. Federal Regulations. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used (a) for "buying" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U as now and from time to time

hereafter in effect for any purpose that violates the provisions of the Regulations of the Board or (b) for any purpose that violates the provisions of the Regulations of the Board. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable, referred to in Regulation U.

4.12. Labor Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes or other labor disputes against any Group Member pending or, to the knowledge of the Borrower, threatened; (b) hours worked by and payment made to employees of each Group Member have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters; and (c) all payments due from any Group Member on account of employee health and welfare insurance have been paid or accrued as a liability on the books of the relevant Group Member.

4.13. ERISA. Except as, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, (a) each Plan has complied in all respects with the applicable provisions of ERISA and the Code; (b) neither a Reportable Event nor any failure to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA), whether or not waived, has occurred with respect to any such Plan during the five-year period prior to the date on which this representation is made or deemed made; and (c) neither the Borrower, any Group Member, nor any Commonly Controlled Entity has filed, pursuant to Section 412(c) of the Code or Section 302(c) of ERISA, an application for a waiver of the minimum funding standard with respect to any Plan, or failed to make by its due date a required installment to any Single Employer Plan under Section 430(j) of the Code, and there has been no determination that any Single Employer Plan is, or is expected to be, in "at risk" status (within the meaning of Section 430 of the Code or Section 303 of ERISA). No termination of a Single Employer Plan or Multiemployer Plan has occurred that has resulted or is likely to result in material liability to the Group Members, and no Lien in favor of the PBGC or such a Plan has arisen with respect to any Single Employer Plan during the five-year period prior to the date on which this representation is made or deemed made. The present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits by an amount that is material to the Group Members. Neither the Borrower, any Group Member nor any Commonly Controlled Entity has failed to make any required contribution to a Multiemployer Plan when due or had a complete or partial withdrawal from any Single Employer Plan or Multiemployer Plan that has resulted or could reasonably be expected to result in a material liability under ERISA with respect to the Group Members, and the Group Members would not become subject to any material liability under ERISA if the Borrower, any Group Member or any Commonly Controlled Entity were to withdraw completely from all Single Employer Plans and, to the Borrower's knowledge, all Multiemployer Plans, as of the valuation date most closely preceding the date on which this representation is made or deemed made. Neither Borrower, any Group Member nor any Commonly Controlled Entity has received any notice (i) concerning the imposition of liability as a result of a complete or partial withdrawal from a Multiemployer Plan or that any Multiemployer Plan is, or is expected to be, Insolvent, or terminated (within the meaning of Section 4041A of ERISA), or in "endangered" or "critical"

status (within the meaning of Section 432 of the Code or Section 305 of ERISA), or (ii) from the PBGC or a Plan administrator relating to an intention to terminate any Plan or to appoint a trustee to administer any Plan under Section 4042 of ERISA.

4.14. Investment Company Act; Other Regulations. No Loan Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. No Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board and applicable insolvency law after the commencement of an insolvency proceeding) that limits its ability to incur Indebtedness.

4.15. Subsidiaries. Except as disclosed to the Administrative Agent by the Borrower in writing from time to time after the Amendment No. 1 Effective Date to reflect changes after the Amendment No. 1 Effective Date, (a) Schedule 4.15 sets forth the name and jurisdiction of incorporation of each Subsidiary and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Loan Party and whether such Subsidiary is a Restricted Subsidiary or an Unrestricted Subsidiary,

and (b) there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than (i) stock options, restricted stock units, restricted stock, stock appreciation rights and other rights and equity incentive awards granted to employees, consultants or directors pursuant to any equity incentive plan, savings plan or employee stock purchase plan of the Borrower and (ii) directors' qualifying shares) of any nature relating to any Capital Stock of the Borrower or any Subsidiary, except as created by the Loan Documents.

4.16. Use of Proceeds.

The proceeds of the Revolving Loans and the Letters of Credit shall be used to (a) repay amounts owed under the Existing Credit Agreement and (b) provide for the working capital needs and general corporate purposes of the Borrower and its Subsidiaries, including acquisitions and other investments permitted by the terms of this Agreement.

4.17. Environmental Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(a) neither any Group Member nor, to the knowledge of the Borrower, any other Person has caused the facilities and properties owned, leased or operated by any Group Member (the "Properties") to contain, or to have previously contained, any Materials of Environmental Concern in amounts or concentrations or under circumstances that constitute or constituted a violation of, or could give rise to liability under, any Environmental Law;

(b) no Group Member has received or is aware of any notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the business operated by any Group Member (the "Business"), nor does the Borrower have knowledge or reason to believe that any such notice will be received or is being threatened;

(c) neither any Group Member nor, to the knowledge of the Borrower, any other Person have transported or disposed of Materials of Environmental Concern from the Properties in violation of, or in a manner or to a location that could give rise to liability under, any Environmental Law, nor have any Materials of Environmental Concern been generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that could give rise to liability under, any applicable Environmental Law;

(d) no judicial proceeding or governmental or administrative action is pending or, to the knowledge of the Borrower, threatened, under any Environmental Law to which any Group Member is or will be named as a party with respect to the Properties or the Business, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties or the Business;

(e) there has been no release or threat of release of Materials of Environmental Concern at or from the Properties, or arising from or related to the operations of any Group Member in connection with the Properties or otherwise in connection with the Business, in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws;

(f) the Properties and all operations at the Properties are in compliance, and have in the last five years been in compliance, with all applicable Environmental Laws, and there is no contamination at, under or about the Properties or violation of any Environmental Law with respect to the Properties or the Business; and

(g) no Group Member has assumed any liability of any other Person under Environmental Laws.

4.18. Accuracy of Information, etc.

(a) No statement or information contained in this Agreement, any other Loan Document, the Confidential Information Memorandum or any other document, certificate or statement furnished in writing by or on behalf of any Loan Party to the Administrative Agent or the Lenders, or any of them, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, contained as of the date such statement, information, document or certificate was so furnished (or, in the case of the Confidential Information Memorandum, as of the date of this Agreement), any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made; provided, however, that the projections and proforma financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount.

(b) As of the Amendment No. 1 Effective Date, to the best knowledge of the Borrower, the information included in the Beneficial Ownership Certification provided on or prior to the Amendment No. 1 Effective Date to any Lender in connection with this Agreement, if any, is true and correct in all respects.

4.19. Solvency. Each Loan Party is, and after giving effect to the incurrence of all Indebtedness and obligations being incurred in connection herewith will be and will continue to be, Solvent.

4.20. Anti-Corruption Laws and Sanctions. The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective officers and employees, and to the knowledge of the Borrower its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and are not knowingly engaged in any activity that would reasonably be expected to result in the Borrower being designated as a Sanctioned Person. None of (a) the Borrower, any Subsidiary or any of their respective directors, officers or employees or (b) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Loan or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions.

4.21. Affected Financial Institutions. No Loan Party is an Affected Financial Institution.

SECTION 5. CONDITIONS PRECEDENT

5.1. Conditions to Initial Extension of Credit. The agreement of each Lender to make the initial extension of credit requested to be made by it is subject to the satisfaction (or waiver), prior to or concurrently with the making of such extension of credit on the Closing Date, of the following conditions precedent (it being understood and agreed that the following conditions precedent were satisfied on the Closing Date):

(a) **Credit Agreement; Notes; Guarantee.** The Administrative Agent shall have received (i) this Agreement, executed and delivered by the Administrative Agent, the Borrower and each Person listed on Schedule 1.1A, (ii) a Note in favor of each Lender that has requested a Note at least two Business Days prior to the Closing Date, executed and delivered by the Borrower, and (iii) the Guarantee, executed and delivered by the Borrower and each Subsidiary Guarantor.

(b) **Existing Credit Agreement.** All amounts outstanding under the Existing Credit Agreement shall be simultaneously paid in full, all outstanding commitments thereunder shall be terminated and any liens securing the obligations thereunder shall be

released; provided that, each Lender hereto that is a lender under the Existing Credit Agreement hereby waives the notice requirements set forth in Sections 2.9 and 3.1 of the Existing Credit Agreement with respect to the repayment of the Existing Credit Agreement contemplated by this clause (b).

(c) **Financial Statements.** The Lenders shall have received the Historical Financials and Interim Financials described in Section 4.1.

(d) Approvals. All governmental and third party approvals necessary in connection with the continuing operations of the Group Members and the transactions contemplated hereby shall have been obtained and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose adverse conditions on the financing contemplated hereby.

(e) Fees. The Lenders and the Administrative Agent shall have received all fees required to be paid, and all expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel), on or before the Closing Date.

(f) Closing Certificate; Certified Certificate of Incorporation; Good Standing Certificates. The Administrative Agent shall have received (i) certificates of each Loan Party, dated the Closing Date, substantially in the form of Exhibit C, with appropriate insertions and attachments, including the certificate of incorporation or articles of incorporation, as applicable, of each Loan Party, certified by the relevant authority of the jurisdiction of organization of such Loan Party and (ii) a good standing certificate for each Loan Party from its jurisdiction of organization.

(g) Legal Opinions. The Administrative Agent shall have received the following executed legal opinions:

(i) the legal opinion of Curtis, Mallet-Prevost, Colt & Mosle LLP, counsel to the Borrower and its Subsidiaries, in form and substance reasonably satisfactory to the Administrative Agent; and

(ii) the legal opinion of local counsel to the Borrower and its Subsidiaries in each jurisdiction as the Administrative Agent may reasonably require.

Each such legal opinion shall cover such other matters incident to the transactions contemplated by this Agreement as the Administrative Agent may reasonably require.

(h) Patriot Act. The Administrative Agent shall have received all documentation and other information with respect to the Borrower and its Subsidiaries that is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act.

5.2. Conditions to Each Extension of Credit. The agreement of each Lender to make any extension of credit requested to be made by it on any date (including its initial extension of credit) is subject to the satisfaction of the following conditions precedent:

(a) Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of such date as if made on and as of such date (except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date).

(b) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit requested to be made on such date.

Each borrowing by and each issuance, renewal or extension of a Letter of Credit on behalf of the Borrower hereunder shall constitute a representation and warranty by the Borrower as of the date of such extension of credit that the conditions contained in this Section 5.2 have been satisfied.

SECTION 6. AFFIRMATIVE COVENANTS

The Borrower hereby agrees that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding (except to the extent cash collateralized in the manner set forth in Section 2.5(a)) or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder (other than unmatured contingent reimbursement and indemnification obligations), the Borrower shall and shall cause each of its Restricted Subsidiaries to:

6.1. Financial Statements. Furnish to the Administrative Agent and each Lender:

(a) as soon as available, but in any event within 90 days (or such shorter period as the SEC shall specify for the filing of annual reports on Form 10-K) after the end of each fiscal year of the Borrower plus the term of any extensions permitted to be taken by the Borrower in accordance with SEC rules and regulations in respect of such annual reports, a

copy of the audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income, comprehensive income, shareholders' equity and cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by Ernst & Young LLP or other independent certified public accountants of nationally recognized standing; and

(b) as soon as available, but in any event not later than 45 days (or such shorter period as the SEC shall specify for the filing of quarterly reports on Form 10-Q) after the end of each of the first three quarterly periods of each fiscal year of the Borrower plus the term of any extensions permitted to be taken by the Borrower in accordance with SEC rules and regulations in respect of such quarterly reports, the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income, comprehensive income, shareholders' equity and cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as presenting fairly in all material respects the consolidated financial condition of the Borrower and its Subsidiaries as at such date, and the consolidated results of their operations and their cash flows for the period then ended (subject to normal year-end audit adjustments).

All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied (except as approved by such accountants or officer, as the case may be, and disclosed in reasonable detail therein) consistently throughout the periods reflected therein and with prior periods.

Information required to be delivered pursuant to this Section 6.1 shall be deemed to have been delivered to the Lenders on the date on which such information has been posted on the Borrower's website on the Internet at www.mscdirect.com or is available on the website of the SEC at www.sec.gov (to the extent such information has been posted or is available as described in such notice). Information required to be delivered pursuant to this Section 6.1 may also be delivered by electronic communication pursuant to procedures approved by the Administrative Agent pursuant to Section 10.2.

6.2. Certificates; Other Information. Furnish to the Administrative Agent and each Lender (or, in the case of clause (c), to the relevant Lender):

(a) concurrently with the delivery of any financial statements pursuant to Section 6.1, (i) a certificate of a Responsible Officer stating that, to the best of such Responsible Officer's knowledge, each Loan Party during such period has observed or performed all of its covenants and other agreements, and satisfied every condition contained in this Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate and (ii) a Compliance Certificate containing all information and calculations necessary for determining compliance by each Group Member with the provisions of this Agreement referred to therein as of the last day of the fiscal quarter or fiscal year of the Borrower, as the case may be;

(b) simultaneously with the delivery of each set of consolidated financial statements referred to in Sections 6.1(a) and 6.1(b) above, the related consolidating financial statements reflecting the adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries (if any) from such consolidated financial statements;

(c) within five days after the same are sent, copies of all financial statements and reports that the Borrower sends to the holders of any class of its debt securities or public equity securities and, within five days after the same are filed, copies of all financial statements and reports that the Borrower may make to, or file with, the SEC (it being understood that information required to be delivered pursuant to this Section 6.2(c) (i) shall be deemed to have been delivered to the Lenders on the date on which such information has been posted on the Borrower's website on the Internet at www.mscdirect.com or is available on the website of the SEC at www.sec.gov (to the extent such information has been posted or is available as described in such notice) and (ii) may also be delivered by electronic communication pursuant to procedures approved by the Administrative Agent pursuant to Section 10.2); and

(d) promptly, (x) such additional financial and other information as any Lender may from time to time reasonably request and (y) information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation.

6.3. Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations (including taxes) of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the relevant Group Member or where such failure to pay, discharge or otherwise satisfy could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.4. Maintenance of Existence; Compliance. (a)(i) Preserve, renew and keep in full force and effect its organizational existence and (ii) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.4 and except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; (b) comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect; and (c) maintain in effect and enforce policies and procedures designed to promote and achieve compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

6.5. Maintenance of Property; Insurance. (a) Keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted, except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material

Adverse Effect, and (b) maintain with financially sound and reputable insurance companies insurance on all its property in at least such amounts and against at least such risks (but including in any event public liability, product liability and business interruption) as are usually insured against in the same general area by companies engaged in the same or a similar business.

6.6. Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law, in each case in all material respects, shall be made of all dealings and transactions in relation to its business and activities and (b) permit representatives of any Lender, upon reasonable prior notice and during normal business hours, to visit and inspect any of its properties and examine and make abstracts from any of its books and records as often as may reasonably be desired and to discuss the business, operations, properties and financial and other condition of the Group Members with officers and employees of the Group Members and with their independent certified public accountants.

6.7. Certain Notices. Promptly (and in any event within five Business Days, except as set forth in clause (e) below) give notice to the Administrative Agent and each Lender (with respect to clauses (a) through (c) and (f)) and to the Administrative Agent (with respect to clauses (d) and (e)) after any Responsible Officer obtains knowledge of:

(a) the occurrence of any Default or Event of Default;

(b) any (i) default or event of default under any Contractual Obligation of any Group Member or (ii) litigation, investigation or proceeding that may exist at any time between any Group Member and any Governmental Authority, that in either case, if not cured or if adversely determined, as the case may be, could reasonably be expected to have a Material Adverse Effect;

(c) any litigation or proceeding affecting any Group Member (i) which is reasonably likely to be adversely decided and, if adversely decided, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, (ii) in which any material injunctive or similar relief is sought or (iii) which relates to any Loan Document;

(d) the following events, as soon as possible and in any event within 30 days after the Borrower knows or has reason to know thereof: (i) the occurrence of any Reportable Event with respect to any Single Employer Plan that is likely to result in material liability to the Group Members; the failure of Borrower, any Group Member or any Commonly Controlled Entity to make any required contribution to a Plan; the determination that any Single Employer Plan is in "at risk" status; the creation of any Lien against Borrower, any Group Member or any Commonly Controlled Entity with respect to a Single Employer Plan in favor of the PBGC or such a Plan; or

any withdrawal by Borrower, any Group Member or any Commonly Controlled Entity from, or the termination of, any Single Employer Plan; (ii) the failure of Borrower, any Group Member or any Commonly Controlled Entity to make any required contribution to a Multiemployer Plan; any withdrawal of Borrower, any Group Member or any Commonly Controlled Entity from, or termination of, any Multiemployer Plan; or the receipt by Borrower, any Group Member, or any Commonly Controlled Entity of (A) any notice concerning the Insolvency of, any Multiemployer Plan or (B) a determination that any such Multiemployer Plan is in "endangered" or "critical" status; or (iii) the institution of proceedings or the taking of any other action by the PBGC against the Borrower, any Group Member, any Commonly Controlled Entity, or any Multiemployer Plan with respect to (A) any withdrawal from, or termination of, any Plan or Multiemployer Plan or (B) the Insolvency of any Multiemployer Plan;

(e) upon reasonable request of the Administrative Agent and promptly following receipt thereof from the administrator or sponsor of the applicable Multiemployer Plan, copies of any documents or notices described in Sections 101(k) or

101(l) of ERISA that Borrower, any Group Member or any Commonly Controlled Entity may request with respect to any Multiemployer Plan; and

(f) any development or event that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section 6.7 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the relevant Group Member proposes to take with respect thereto.

6.8. Environmental Laws. xiv) Comply in all material respects with, and use its commercially reasonable efforts to ensure compliance in all material respects by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply in all material respects with and maintain, and use its commercially reasonable efforts to ensure that all tenants and subtenants obtain and comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws, in each case except to the extent failure to do so could not reasonably be expected to have a Material Adverse Effect.

(a) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws, in each case except to the extent failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.9. Additional Subsidiary Guarantors. With respect to any Subsidiary (other than a Securitization Vehicle) that becomes a Material Domestic Restricted Subsidiary after the Closing Date or any new Material Domestic Restricted Subsidiary (other than a Securitization Vehicle) created or acquired after the Closing Date, promptly (i) cause such Material Domestic Restricted Subsidiary (A) to execute and deliver to the Administrative Agent a supplement to the Guarantee substantially in the form of Annex A to the Guarantee and (B) to deliver to the Administrative Agent a certificate of such Domestic Restricted Subsidiary, substantially in the form of Exhibit C, with appropriate insertions and attachments, and (ii) if requested by the Administrative Agent, deliver to the Administrative Agent a legal opinion relating to the matters described above, which opinion shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

6.10. Designation of Subsidiaries. By action of its board of directors, the Borrower may at any time after the Closing Date designate any Restricted Subsidiary or any newly created or acquired Subsidiary of the Borrower as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary; provided that (i) immediately before and after such designation on a pro forma basis, no Default or Event of Default shall have occurred and be continuing, (ii) immediately after giving effect to such designation, the Borrower shall be in compliance, on a pro forma basis, with the financial covenants set forth in Section 7.1, (iii) the Borrower shall have delivered to the Administrative Agent a certificate of a Responsible Officer certifying as to the satisfaction of the conditions in clauses (i) and (ii) above and setting forth in reasonable detail the calculations necessary to determine compliance with the condition in clause (ii) above, (iv) no Restricted Subsidiary may be designated as an Unrestricted Subsidiary if it was previously designated as an Unrestricted Subsidiary and (v) no Subsidiary of an Unrestricted Subsidiary may be a Restricted Subsidiary. The designation of any Subsidiary as an Unrestricted Subsidiary after the Closing Date shall constitute an Investment by the Borrower therein at the date of designation in an amount equal to the fair market value of the Borrower's or its Restricted Subsidiary's (as applicable) Investment therein. The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute (a) the incurrence at the time of such designation of any Investment, Indebtedness or Liens of such Subsidiary existing at such time and (b) a return on any Investment by the Borrower in Unrestricted Subsidiaries pursuant to the preceding

sentence in an amount equal to the fair market value at the date of such designation of the Borrower's or its Restricted Subsidiary's (as applicable) Investment in such Subsidiary.

SECTION 7. NEGATIVE COVENANTS

The Borrower hereby agrees that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding (except to the extent cash collateralized in the manner set forth in Section 2.5(a)) or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder (other than unmatured contingent reimbursement and indemnification obligations), the Borrower shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly:

7.1. Financial Condition Covenants.

(a) Consolidated Leverage Ratio. As of the last day of any fiscal quarter (commencing with the fiscal quarter ended on or about December 3, 2016), permit the Consolidated Leverage Ratio for the Reference Period ending on such day to exceed 3.00 to 1.00; provided that, in the event that (i) the Borrower or any of its Restricted Subsidiaries completes a Material Acquisition and (ii) on or prior to the date of the consummation of such Material Acquisition, the Borrower delivers written notice to the Administrative Agent of its intention to (A) consummate such Material Acquisition and (B) activate a Leverage Ratio Step-Up in connection therewith (any such written notice, a "Leverage Ratio Step-Up Notice"), the Consolidated Leverage Ratio set forth above shall be temporarily increased to 3.50 to 1.00 for the succeeding four consecutive fiscal quarters, commencing with the fiscal quarter in which such Material Acquisition occurs (each such temporary increase, a "Leverage Ratio Step-Up"); provided that the Borrower shall not deliver more than one Leverage Ratio Step-Up Notice during any period of eight consecutive fiscal quarters (and any Leverage Ratio Step-Up Notice delivered in violation of this proviso shall be deemed to be null and void).

(b) Consolidated Interest Coverage Ratio. As of the last day of any fiscal quarter (commencing with the fiscal quarter ended on or about December 3, 2016), permit the Consolidated Interest Coverage Ratio for the Reference Period ending on such day to be less than 3.00 to 1.00.

7.2. Indebtedness. xv) Create, issue, incur, assume, become liable in respect of or suffer to exist any Indebtedness of the Borrower or any Subsidiary Guarantor if, after giving effect thereto, on a pro forma basis, the Borrower would not be in compliance with Section 7.1(a) as of the last day of the immediately preceding fiscal quarter for which financial statements have been delivered pursuant to Section 6.1; provided that (i) if such Indebtedness is incurred in connection with a Material Acquisition permitted under this Agreement, for purposes of complying with the Consolidated Leverage Ratio in Section 7.1(a), (x) Consolidated EBITDA of the Borrower and the Restricted Subsidiaries shall be calculated on a pro forma basis to give effect to such Material Acquisition in the manner set forth in clause (ii) of the last paragraph of the definition of "Consolidated EBITDA" hereunder and (y) if the Borrower has delivered a Leverage Ratio Step-Up Notice in connection with such Material Acquisition in accordance with Section 7.1(a) above, the maximum Consolidated Leverage Ratio for purposes of such compliance shall be 3.50 to 1.00 and (ii) subject to Section 7.6(g), the Borrower and the Subsidiary Guarantors shall be permitted to create, issue, incur, assume, become liable in respect of and suffer to exist Indebtedness owing to the Borrower or any Subsidiary of the Borrower.

(a) Create, issue, assume, become liable in respect of or suffer to exist any Priority Debt, except:

(i) Indebtedness incurred in connection with Securitizations permitted by Section 7.5;

(ii) subject to the limitations set forth in Section 7.6(g), (A) Indebtedness of the Borrower or any Subsidiary Guarantor owing to the Borrower or any Subsidiary of the Borrower, (B) Indebtedness of any Restricted Subsidiary that is not a Subsidiary Guarantor owing to the Borrower or any Subsidiary Guarantor and (C) Indebtedness of any Restricted Subsidiary that is not a Subsidiary Guarantor owing to any other Restricted Subsidiary that is not a Subsidiary Guarantor; and

(iii) other Priority Debt, provided that, at the time of creation, issuance, incurrence, assumption, becoming liable in respect thereof or existence thereof and after giving effect thereto, the sum of (x) the aggregate amount of Priority Debt (other than Priority Debt permitted by clauses (i) and (ii) of this Section 7.2(b)) then outstanding plus (y) the aggregate amount of Investments made pursuant to Section 7.6(g) by the Borrower and the Subsidiary Guarantors in Restricted Subsidiaries that are not Subsidiary Guarantors plus (z) the aggregate amount of Investments made pursuant to Section 7.6(g) by the Borrower and the Restricted Subsidiaries in Unrestricted Subsidiaries does not exceed the greater of \$500,000,000 and 20% of Consolidated Tangible Assets as of the last day of the immediately preceding fiscal quarter for which financial statements have been delivered pursuant to Section 6.1.

7.3. Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired, except:

(a) Liens for taxes or other governmental charges or assessments not yet due or that are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the books of the Borrower or the Restricted Subsidiaries, as the case may be, in conformity with GAAP;

(b) carriers', warehousemen's, mechanics', materialmen's, landlord's, repairmen's or other like Liens arising in the ordinary course of business that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings;

(c) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation;

(d) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, obligations in favor of utility companies, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) easements, rights-of-way, restrictions, defects and irregularities in title and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, are not substantial in amount and that do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower or any of the Restricted Subsidiaries;

(f) Liens in existence on the Amendment No. 1 Effective Date listed on Schedule 7.3(f), provided that no such Lien is spread to cover any additional property after the Closing Date and that the amount of Indebtedness secured thereby is not increased above the original principal amount thereof;

(g) Liens securing Indebtedness of the Borrower or any Restricted Subsidiary (including, without limitation, Capital Lease Obligations) permitted under Section 7.2(a) to finance the acquisition, construction or improvement of fixed or capital assets or to secure the purchase price of fixed or capital assets, provided that (i) such Liens shall be created within 90 days of the acquisition, construction or improvement of such fixed or capital assets, (ii) such Liens do not at any time encumber any property other than such fixed or capital assets and (iii) the amount of Indebtedness or purchase price obligation secured thereby is not increased above the original principal amount thereof;

(h) any interest or title of a lessor under any lease entered into by the Borrower or any Restricted Subsidiary in the ordinary course of its business and covering only the assets so leased, and licenses and sublicenses granted by the Borrower or any Restricted Subsidiary in the ordinary course of business;

(i) Liens in favor of the Administrative Agent for the benefit of the Lenders and the Administrative Agent under the Loan Documents;

(j) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(k) Liens in favor of collecting banks arising by operation of law under the Uniform Commercial Code covering only the items being collected upon and Liens (including the right of set-off) in favor of a bank or other depository institution arising in the ordinary course of business as a matter of law encumbering deposits;

(l) Liens arising from the filing of UCC financing statements solely as a precautionary measure in connection with operating leases or consignments of goods;

(m) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sales of goods (including Article 2 of the UCC), and Liens that are contractual rights of set-off relating to purchase orders and other similar agreements, in each case entered into in the ordinary course of business;

(n) Liens created pursuant to attachment, garnishee orders or other process in connection with pre-judgment court proceedings, and Liens securing judgments for the payment of money not constituting an Event of Default under Section 8(h);

(o) Liens on assets subject to, and incurred under, merger agreements, stock or asset purchase agreements and similar purchase agreements in respect of the Disposition of such assets by the Borrower or any Restricted Subsidiary in a Disposition permitted hereunder;

(p) Liens on any asset at the time the Borrower or any Restricted Subsidiary acquired such asset and Liens on the assets of a Person existing at the time such Person was acquired by the Borrower or any Restricted Subsidiary, including any acquisition by means of a merger, amalgamation or consolidation with or into the Borrower or any Restricted Subsidiary; subject to the condition that (i) any such Lien may not extend to any other asset of the Borrower or any Restricted Subsidiary; and (ii) any such Lien shall not have been created in contemplation of or in connection with the transaction or series of transactions pursuant to which such asset or Person was acquired by the Borrower or any Restricted Subsidiary;

(q) Liens on Securitization Assets in connection with Securitizations permitted by Section 7.5;

(r) Liens securing Priority Debt permitted to be incurred by Section 7.2(b);

(s) Liens that secure Swap Agreements to which the Borrower or any Restricted Subsidiary is a party, provided that the aggregate fair market value of all assets subject to such Liens does not at any time exceed \$30,000,000 in the aggregate; and

(t) Liens not otherwise permitted under this Section 7.3, provided that the aggregate fair market value of all assets subject to such Liens does not at any time exceed \$30,000,000 in the aggregate.

7.4. Fundamental Changes. Enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of all or substantially all of its property or business, except that:

(a) (i) any Subsidiary of the Borrower may be merged or consolidated with or into the Borrower (provided that the Borrower shall be the continuing or surviving corporation) or with or into any Subsidiary Guarantor (provided that a Subsidiary Guarantor shall be the continuing or surviving corporation), (ii) any Restricted Subsidiary that is not a Subsidiary Guarantor may be merged or consolidated with or into any other Restricted Subsidiary that is not a Subsidiary Guarantor and (iii) any Unrestricted Subsidiary may be merged or consolidated with or into any Restricted Subsidiary that is not

a Subsidiary Guarantor (provided that the Restricted Subsidiary shall be the continuing or surviving corporation);

(b) (i) any Subsidiary of the Borrower may Dispose of any or all of its assets (A) to the Borrower or any Subsidiary Guarantor (upon voluntary liquidation or otherwise) or (B) pursuant to a Disposition permitted by Section 7.5 and (ii) any Restricted Subsidiary that is not a Subsidiary Guarantor may Dispose of any or all of its assets to any other Restricted Subsidiary that is not a Loan Party;

(c) any Disposition permitted by Section 7.5 may be effected through a merger, consolidation or amalgamation;

(d) any Investment expressly permitted by Section 7.6 may be effected through a merger, consolidation or amalgamation; and

(e) any Restricted Subsidiary (other than a Subsidiary Guarantor) may liquidate, wind up or dissolve if the Borrower determines in good faith that such liquidation, winding-up or dissolution is in the best interest of the Borrower and is not materially disadvantageous to the Lenders.

7.5. Disposition of Property. Dispose of any of its property, whether now owned or hereafter acquired, or, in the case of any Restricted Subsidiary, issue or sell any shares of such Subsidiary's Capital Stock to any Person, except:

(a) the Disposition of obsolete or worn out property in the ordinary course of business;

(b) the sale of inventory in the ordinary course of business;

- (c) Dispositions permitted by clauses (i)(A) and (ii) of Section 7.4(b);
- (d) the sale or issuance of any Restricted Subsidiary's Capital Stock to the Borrower or any Subsidiary Guarantor;
- (e) sales of Securitization Assets in Securitizations, provided that (i) each such Securitization is effected on market terms as reasonably determined by the management of the Borrower and (ii) the aggregate amount of Third Party Interests in respect of all such Securitizations does not exceed \$300,000,000 at any time outstanding;
- (f) a sale-leaseback by the Borrower or any Restricted Subsidiary of fixed assets for fair market value in a transaction not otherwise prohibited hereunder, provided that (x) such assets were first acquired by the Borrower or any Restricted Subsidiary no earlier than 180 days prior to the date of such sale-leaseback and (y) the fair market value of assets Disposed of pursuant to this paragraph (f) shall not exceed \$10,000,000 in the aggregate in any fiscal year;
- (g) the payment of cash dividends to the holders of the Borrower's outstanding Capital Stock and the payment of cash dividends to the holders of any Restricted Subsidiary's outstanding Capital Stock on a *pro rata* basis;
- (h) Dispositions of Cash Equivalents and marketable securities for a purchase price that is not less than fair market value of the Investments being sold in connection with the cash management operations of the Borrower and the Restricted Subsidiaries in the ordinary course of business;
- (i) the sale or issuance of the Borrower's or any Restricted Subsidiary's Capital Stock under compensation arrangements and employee benefits plans approved by the board of directors of the Borrower or such Restricted Subsidiary;
- (j) Dispositions of property by the Borrower or any Restricted Subsidiary to the Borrower or any Subsidiary Guarantor;
- (k) Dispositions of property by any Restricted Subsidiary that is not a Subsidiary Guarantor to any other Restricted Subsidiary that is not a Subsidiary Guarantor; and
- (l) the Disposition of other property, provided that, at the time of such Disposition, the fair market value of the property so Disposed, together with the fair market value of all other property Disposed under this Section 7.5(l) during such fiscal year of the Borrower, shall not exceed 25% of Consolidated Tangible Assets (determined as of the last day of the immediately preceding fiscal quarter for which financial statements have been delivered pursuant to Section 6.1).

7.6. **Investments.** Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any Capital Stock, bonds, notes, debentures or other debt securities of, or any assets constituting a business unit of, or make any other investment in, any Person (all of the foregoing, "Investments"), except:

- (a) extensions of trade credit in the ordinary course of business;
- (b) Investments in Cash Equivalents;
- (c) Guarantee Obligations permitted by Section 7.2;
- (d) Investments consisting of Sellers' Retained Interests in Securitizations permitted by Section 7.5;
- (e) Investments listed in Schedule 7.6(e) committed on the Amendment No. 1 Effective Date;
- (f) Investments received by the Borrower or any Restricted Subsidiary in connection with the bankruptcy or reorganization of customers and suppliers and in settlement of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business;
- (g) Investments by the Borrower or any Restricted Subsidiary in the Borrower or any of its Subsidiaries; provided that, (i) the sum of (x) the aggregate amount of Investments made pursuant to this Section 7.6(g) by the Borrower and the Subsidiary Guarantors in Restricted Subsidiaries that are not Subsidiary Guarantors plus (y) the aggregate amount of Investments made pursuant to this Section 7.6(g) by the Borrower and the Restricted Subsidiaries in Unrestricted Subsidiaries plus (z) the aggregate amount of Priority Debt created, issued assumed or incurred by the Borrower and the Restricted Subsidiaries pursuant to Section 7.2(b)(iii) does not exceed the greater of \$500,000,000 and 20% of Consolidated Tangible Assets as

of the last day of the immediately preceding fiscal quarter for which financial statements have been delivered pursuant to Section 6.1 and (ii) such Investments pursuant to this Section 7.6(g) by the Borrower and the Subsidiary Guarantors in Restricted Subsidiaries that are not Subsidiary Guarantors and such Investments pursuant to this Section 7.6(g) by the Borrower and the Restricted Subsidiaries in Unrestricted Subsidiaries may only be made so long as no Default or Event of Default shall then exist or would exist after giving effect thereto; provided, further, that sum of (i) the aggregate principal amount of Indebtedness of the Unrestricted Subsidiaries outstanding at any time with respect to which the Borrower and the Restricted Subsidiaries have Guarantee Obligations that were incurred pursuant to this Section 7.6(g) plus (ii) the aggregate principal amount of Indebtedness of the Unrestricted Subsidiaries outstanding at such time with respect to which the Borrower and the Restricted Subsidiaries have Guarantee Obligations that were incurred pursuant to Section 7.6(i) does not exceed \$300,000,000;

(h) Investments consisting of loans to employees and officers for travel, housing, relocation and other similar expenses incurred in the ordinary course of business not to exceed \$5,000,000 at any time outstanding (so long as such loans do not violate the Sarbanes-Oxley Act of 2002 or any other Requirement of Law); and

(i) other Investments, provided that (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (ii) the Borrower shall be in compliance with the covenants set forth in Section 7.1 as of the last day of the immediately preceding fiscal quarter for which financial statements have been delivered pursuant to Section 6.1 after giving effect, on a pro forma basis, to such Investment as if it had occurred on the first day of the relevant period, (iii) in the case of Investments in excess of \$100,000,000, the Borrower shall have delivered to the Administrative Agent a certificate of a Responsible Officer certifying the satisfaction of the foregoing conditions and setting forth in reasonable detail the calculations necessary to determine compliance with clause (ii) above and (iv) the sum of (A) the aggregate principal amount of Indebtedness of the Unrestricted Subsidiaries outstanding at such time with respect to which the Borrower and the Restricted Subsidiaries have Guarantee Obligations that were incurred pursuant to this Section 7.6(i) plus (B) the aggregate principal amount of Indebtedness of the Unrestricted Subsidiaries outstanding at such time with respect to which the Borrower and the Restricted Subsidiaries have Guarantee Obligations that were incurred pursuant to Section 7.6(g) does not exceed \$300,000,000.

7.7. Transactions with Affiliates. Enter into any transaction, including any purchase, sale, lease or exchange of property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than the Borrower or any Subsidiary Guarantor) unless such transaction is (a)(i) not otherwise prohibited hereunder and (ii) upon fair and reasonable terms no less favorable to the relevant Group Member than it could obtain in a comparable arm's length transaction with a Person that is not an Affiliate; (b) disclosed or reflected on Schedule 7.7, (c) compensation arrangements, indemnification agreements and employee benefits plans for officers and directors duly approved by the board of directors of the Borrower or such Restricted Subsidiary, or (d) in connection with transactions made in accordance with Section 7.4 or 7.6, provided that this Section 7.7 shall not prohibit any sale of Securitization Assets and other transactions effected as part of Securitizations permitted by Section 7.5.

7.8. Changes in Fiscal Periods. Except as may be required by GAAP, permit the fiscal year of the Borrower to end on a day other than the Saturday closest to August 31 or change the Borrower's method of determining fiscal quarters, except, in each case, where (i) the Borrower has given not less than six months prior written notice to the Administrative Agent of any such change and (ii) at the time of such change and immediately after giving effect thereto, no Default or Event of Default has occurred and is continuing (it being understood that, if any such change shall cause any fiscal year to be shorter or longer than 12 months or any fiscal quarter to be shorter or longer than three months, any monetary limitations per fiscal year or per fiscal quarter, as applicable, set forth in this Agreement shall be adjusted ratably for such shorter or longer period).

7.9. Clauses Restricting Subsidiary Distributions. Enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (a) make Restricted Payments in respect of any Capital Stock of such Restricted Subsidiary held by, or pay any Indebtedness owed to, the Borrower or any other Restricted Subsidiary, (b) make loans or advances to, or other Investments in, the Borrower or any other Restricted Subsidiary or (c) transfer any of its assets to the Borrower or any other Restricted Subsidiary, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions existing under the Loan Documents, (ii) any restrictions or conditions imposed by any law, rule, regulation, ordinance, order, code, interpretation, judgment, decree, directive, guidelines, policy or similar form of decision of any Governmental Authority, (iii) customary restrictions and conditions contained in licenses, leases and franchise agreements, (iv) restrictions or conditions in respect of transfers or distributions affecting property or assets subject to a Lien permitted under Section 7.3, (v) restrictions or conditions contained in instruments and agreements evidencing Indebtedness for borrowed money permitted to be incurred under Section 7.2, that are taken as a whole no more restrictive than such restrictions and conditions contained in this Agreement, (vi) restrictions or conditions contained in (A) any joint venture agreements, partnership agreements and other agreements relating to any Joint Venture, provided such restrictions or conditions apply only to the assets or property owned by such Joint Venture or (B) any instruments or agreements evidencing third party Indebtedness for borrowed money incurred by any Joint Venture, provided that such restrictions apply only to the assets or property owned by such Joint Venture and such Indebtedness is

not otherwise prohibited by this Agreement, (vii) any restrictions with respect to a Restricted Subsidiary imposed pursuant to an agreement that has been entered into in connection with the

Disposition of all or substantially all of the Capital Stock or assets of such Restricted Subsidiary and (viii) customary restrictions contained in any documents relating to any Securitizations, provided such restrictions only apply to the applicable Securitization Vehicle and its assets or the Securitization Assets.

7.10. Use of Proceeds. Request any Loan or Letter of Credit, and the Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Loan or Letter of Credit (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (b) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, to the extent such activities, businesses or transaction would be prohibited by Sanctions if conducted by a corporation incorporated in the United States or in a European Union member state or (c) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 8. EVENTS OF DEFAULT

If any of the following events shall occur and be continuing:

(a) the Borrower shall fail to pay any principal of any Loan or Reimbursement Obligation when due in accordance with the terms hereof; or the Borrower shall fail to pay any interest on any Loan or Reimbursement Obligation, or any other amount payable hereunder or under any other Loan Document, within five days after any such interest or other amount becomes due in accordance with the terms hereof; or

(b) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished in writing by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made; or

(c) any Loan Party shall default in the observance or performance of any agreement contained in clause (i) or (ii) of Section 6.4(a) (with respect to the Borrower only), Section 6.7(a) or Section 7 of this Agreement; or

(d) any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section), and such default shall continue unremedied for a period of 30 days after notice to the Borrower from the Administrative Agent or the Required Lenders; or

(e) any Group Member shall (i) default in making any payment of any principal of any Indebtedness (including any Guarantee Obligation in respect of Indebtedness, but excluding the Loans) on the scheduled or original due date with respect thereto; or (ii) default in making any payment of any interest on any such Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable; provided, that a default, event or condition described in clause (i), (ii) or (iii) of this paragraph (e) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in clauses (i), (ii) and (iii) of this paragraph (e) shall have occurred and be continuing with respect to Indebtedness the outstanding principal amount of which exceeds in the aggregate \$50,000,000; or

(f) (i) any Group Member (other than an Immaterial Restricted Subsidiary that is not a Loan Party) shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or any Group Member (other than an Immaterial Restricted Subsidiary that is not a Loan Party) shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any Group Member (other than an

Immaterial Restricted Subsidiary that is not a Loan Party) any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed or undischarged for a period of 60 days; or (iii) there shall be commenced against any Group Member (other than an Immaterial Restricted Subsidiary that is not a Loan Party) any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distress or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) any Group Member (other than an Immaterial Restricted Subsidiary that is not a Loan Party) shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) any Group Member (other than an Immaterial Restricted Subsidiary that is not a Loan Party) shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) (i) the occurrence of any non-exempt "prohibited transaction" (as defined in Section 406 and 408 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any failure to meet the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan, any Plan shall be determined to be in "at risk" status (within the meaning of Section 430 of the Code or Section 303 of ERISA), or any Lien in favor of the PBGC or a Plan shall arise on the assets of any Group Member or any Commonly Controlled Entity, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (v) any Group Member or any Commonly Controlled Entity shall incur any liability in connection with (A) a withdrawal from any Single Employer Plan or Multiemployer Plan, or (B) the Insolvency or termination (within the meaning of Section 4041A of ERISA) of any Multiemployer Plan or determination that any Multiemployer Plan is in "endangered" or "critical" status; or (vi) any other event or condition shall occur or exist with respect to a Plan or Multiemployer Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, could reasonably be expected to have a Material Adverse Effect; or

(h) one or more judgments or decrees shall be entered against any Group Member involving in the aggregate a liability (not paid or fully covered by insurance as to which the relevant insurance company has acknowledged coverage) of \$50,000,000 or more, and all such judgments or decrees shall not have been paid, satisfied, vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof;

(i) this Agreement or the guarantee of the Borrower or any Subsidiary Guarantor contained in the Guarantee shall cease, for any reason, to be in full force and effect or any Loan Party or any Affiliate of any Loan Party shall so assert; or

(j) (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), excluding the Permitted Investors, shall become, or obtain rights to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of voting stock of the Borrower representing more than 35% of the combined voting power of the Borrower's outstanding voting stock ordinarily having the power to vote for the election of directors of the Borrower or (ii) the board of directors of the Borrower shall cease to consist of a majority of Continuing Directors;

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (f) above with respect to the Borrower, automatically the Commitments shall immediately terminate and the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) shall immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower declare the Revolving Commitments to be terminated forthwith, whereupon the Revolving Commitments shall immediately terminate; and (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) to be due and payable forthwith, whereupon the same shall immediately become due and payable. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, the Borrower shall at such time deposit in a cash collateral account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired

amount of such Letters of Credit. Amounts held in such cash collateral account shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other obligations of the Borrower hereunder and under the other Loan Documents. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other obligations of the Borrower hereunder and under the other Loan Documents shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrower (or such other Person as may be lawfully entitled thereto). Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

SECTION 9. THE AGENTS

9.1. Appointment. Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent.

9.2. Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

9.3. Exculpatory Provisions. Neither any Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Agents under or in connection with, this Agreement or any other Loan

Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party a party thereto to perform its obligations hereunder or thereunder. The Agents shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of any Loan Party.

9.4. Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex, email or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

9.5. Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent has received notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that unless and until the

Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

9.6. Non-Reliance on Agents and Other Lenders. Each Lender expressly acknowledges that neither the Agents nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by any Agent hereafter taken, including any review of the affairs of a Loan Party or any affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by any Agent to any Lender. Each Lender represents to the Agents that it has, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any affiliate of a Loan Party that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

9.7. Indemnification. The Lenders agree to indemnify each Agent and its officers, directors, employees, affiliates, agents, advisors and controlling persons (each, an "Agent Indemnitee") in its capacity as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Aggregate Exposure Percentages in effect on the date on which indemnification is sought under this Section (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Aggregate Exposure Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent Indemnitee in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent Indemnitee under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent Indemnitee's gross negligence or willful misconduct. The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder. This Section 9.7 shall not apply with respect to taxes (as to which the provisions of Section 3.9 shall control).

9.8. Agent in Its Individual Capacity. Each Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though such Agent were not an Agent. With respect to its Loans made or renewed by it and with respect to any Letter of Credit issued or participated in by it, each Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not an Agent, and the terms "Lender" and "Lenders" shall include each Agent in its individual capacity.

9.9. Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent upon 10 days' notice to the Lenders and the Borrower. If the Administrative Agent shall resign as Administrative Agent under this Agreement and the other Loan Documents, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless an Event of Default under Section 8(a) or Section 8(f) with respect to the Borrower shall have occurred and be continuing) be subject to approval by the Borrower (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Administrative Agent by the date that is 10 days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective, and the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Section 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents.

9.10. Securizations. Each party hereto authorizes the Administrative Agent to enter into customary intercreditor agreements not inconsistent with the provisions hereof, in connection with Securizations permitted under this Agreement.

9.11. Co-Documentation Agents and Co-Syndication Agents; Issuing Lenders. (a) None of the Co-Documentation Agents or Co-Syndication Agents shall have any duties or responsibilities hereunder in its capacity as such.

(b) Each Issuing Lender shall be entitled to the benefits of this Section and have equivalent rights, as are applicable to the Administrative Agent.

SECTION 10. MISCELLANEOUS

10.1. Amendments and Waivers. (xvi) Subject to Section 3.6(b), (c) and (d) and Section 10.1(e) below, neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10.1. The Required Lenders and each Loan Party party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Administrative Agent and each Loan Party party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall: (i) forgive or reduce the principal amount or extend the final scheduled date of maturity of any Loan or Reimbursement Obligations, extend the scheduled date of any amortization payment in respect of any Incremental Term Loan, reduce the stated rate of any interest or fee payable hereunder (except (x) in connection with the waiver of applicability of any post-default increase in interest rates (which waiver shall be effective with the consent of the Majority Facility Lenders of each adversely affected Facility) and (y) that any amendment or modification of defined terms used in the financial covenants in this Agreement shall not constitute a reduction in the rate of interest or fees for purposes of this clause (i)) or extend the scheduled date of any payment thereof, or increase the amount or extend the expiration date of any Lender's Revolving Commitment, in each case without the written consent of each Lender directly affected thereby; (ii) eliminate or reduce the voting rights of any Lender under this Section 10.1 without the written consent of such Lender; (iii) reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, release all or substantially all of the Subsidiary Guarantors from their obligations under the Guarantee, in each case without the written consent of all Lenders; (iv) amend, modify or waive any provision of Section 3.7 without the written consent of the Majority Facility Lenders in respect of each Facility adversely affected thereby; (v) reduce the percentage specified in the definition of Majority Facility Lenders with respect to any Facility without the written consent of all Lenders under such Facility; (vi) amend, modify or waive any provision of Section 9 or any other provision of any Loan Document that affects the Administrative Agent without the written consent of the Administrative Agent; (vii) [reserved]; or (viii) amend, modify or waive any provision of Section 2 that affects the Issuing Lenders without the written consent of the Issuing Lenders. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Administrative Agent and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

(a) If, in connection with any proposed change, waiver, discharge or termination of or to any of the provisions of this Agreement as contemplated by clauses (i) through (v), inclusive, of the proviso to Section 10.1(a), the consent of Lenders having Revolving Extensions of Credit, Incremental Term Loans and unused Commitments representing more than 50% of the sum of the Total Revolving Extensions of Credit, outstanding Incremental Term Loans and unused Commitments at such time is obtained but the consent of one or more of such other Lenders whose consent is required is not obtained, then the Borrower shall have the right, so long as all non-consenting Lenders whose individual consent is required are treated as described in either clause (i) or (ii) below, to either (i) replace each such non-consenting Lender or Lenders (or, at the option of the Borrower if any such Lender's consent is required with respect to less than all classes of Loans (or related Commitments), to replace only the Commitments and/or Loans of any such non-consenting Lender that gave rise to the need to obtain such Lender's individual consent) with one or more assignees pursuant to, and with the effect of an assignment under, Section 3.12 so long as at the time of such replacement, each such assignee consents to the proposed change, waiver, discharge or termination or (ii) terminate such non-consenting Lender's Commitment (if such Lender's consent is required as a result of its Commitment) and/or repay each class of outstanding Loans of such Lender that gave rise to the need to obtain such Lender's consent; provided (A) that, unless

the Commitments that are terminated and Loans that are repaid pursuant to the preceding clause (ii) are immediately replaced in full at such time through the addition of new Lenders or the increase of the Commitments and/or outstanding Loans of existing Lenders (who in each case must specifically consent thereto), then in the case of any action pursuant to the preceding clause (ii), Lenders having Revolving Extensions of Credit, Incremental Term Loans and unused Commitments representing more than 50% of the sum of the Total Revolving Extensions of Credit, outstanding Incremental Term Loans and unused Commitments at such time (determined after giving effect to the proposed action) shall specifically consent thereto and (B) any such replacement or termination transaction described above shall be effective on the date notice is given of the relevant transaction and shall have a settlement date no earlier than five Business Days and no later than 90 days after the relevant transaction; provided further that the Borrower shall not have the right to replace a Lender, terminate its Commitment or repay its Loans solely as a result of the exercise of such Lender's rights (and the withholding of any required consent by such Lender) pursuant to clauses (vi) through (viii) of the proviso to Section 10.1(a).

(b) Notwithstanding the foregoing, this Agreement may be amended (or amended and restated) (i) with the written consent of the Required Lenders, the Administrative Agent and the Borrower (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with Incremental Term Loans and Revolving Extensions of Credit and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and Majority Facility Lenders and (ii) without the written consent of any other Lenders, as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of Section 3.15 or the provisions of Section 10.1(d).

(c) In addition, notwithstanding the foregoing, this Agreement may be amended with the written consent of the Administrative Agent, the Borrower and the Lenders providing the relevant Replacement Term Loans (as defined below) to permit the refinancing, replacement or modification of all outstanding Incremental Term Loans ("Replaced Incremental Term Loans") with a replacement term loan tranche hereunder ("Replacement Term Loans"), provided that (a) the aggregate principal amount of such Replacement Term Loans shall not exceed the aggregate principal amount of such Replaced Incremental Term Loans, (b) the Applicable Margin for such Replacement Term Loans shall not be higher than the Applicable Margin for such Replaced Incremental Term Loans and (c) the weighted average life to maturity of such Replacement Term Loans shall not be shorter than the weighted average life to maturity of such Replaced Incremental Term Loans at the time of such refinancing.

(d) Furthermore, notwithstanding the foregoing, the Administrative Agent, with the consent of the Borrower, may amend, modify or supplement any Loan Document without the consent of any Lender or the Required Lenders in order to correct, amend or cure any ambiguity, inconsistency or defect or correct any typographical error or other manifest error in any Loan Document.

10.2. **Notices.** All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as follows in the case of the Borrower and the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto: chart:

Borrower:	MSC Industrial Direct Co., Inc. Aggregate Amount of Severance
Participant's Level of Employment With the Company	75 Maxess Road Melville, New York 11747 Allowance Under Section 5(a)
Executive Vice President	Attention: General Counsel 18 months of Base Pay
Senior Vice President	Telecopy: (516) 812-1175 15 months of Base Pay
Vice President	Telephone: (516) 812-1420 12 months of Base Pay

Notwithstanding the foregoing or anything in the Plan to the contrary, the amount of any Severance Allowance payable to any Participant under the Plan shall be reduced, dollar-for-dollar, but not below \$0.00, by the amount of any payments made by the Company or any affiliates thereof, to such Participant under the Worker Adjustment and Retraining Notification Act, as amended (the "WARN Act") or any similar state law. For purposes hereof:

(i) "Base Pay" means such Participant's monthly base rate of salary on the Termination Date, prorated to the extent necessary to take into account any reduced schedule of employment, but excluding all other forms of compensation such as bonuses.

(ii) A Participant's level of employment with the Company shall be determined by the Plan Administrator, in its sole discretion.

(iii) The portion of the Severance Allowance determined in accordance with this Section 5(a) shall be paid in equal *pro rata* installments, in accordance with the normal payroll practices of the Company in effect on the date of the Qualifying Termination, over the number of months listed in the chart above under the column for the "aggregate amount of severance allowance" (i.e., 18, 15 or 12 months) applicable to the Participant's position, commencing on the Company payroll payday specified in the Participant's Agreement, provided that MSC previously received from such Participant a fully executed Agreement and any revocation period applicable to the Agreement expired without revocation by the Participant.

(b) In addition to the Severance Allowance as calculated above there will be an additional payment amount (the "Bonus Allowance") for associates who are in roles that are bonus eligible. The amount to be paid shall be calculated at 100% of the individual's bonus target prorated for the current fiscal year based on the date of the Qualifying Termination so long as the Qualifying Termination date is on or after the first day of MSC's third fiscal quarter. Any Qualifying Termination that occurs before the first day of MSC's third fiscal quarter shall not receive a bonus payment. This additional payment (if any) is payable in a lump sum on the Company payroll payday specified in the Participant's Agreement, provided that MSC previously received from such Participant a fully executed Agreement and any revocation period applicable to the Agreement expired without revocation by the Participant. The Bonus Allowance and the Severance Allowance are collectively the "Severance Payment."

(c) All payments of any Severance Benefit shall be net of any required withholding, any employment taxes and other required taxes and deductions with respect to the Severance Benefit.

Section 6. Benefits Subsidy Payment. In the event a Participant who is covered under the Company's current Healthcare Plans incurs a Qualifying Termination, and such Participant is eligible to continue health plan coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") for periods after the date coverage would otherwise terminate on account of such Qualifying Termination, the Company shall pay to the Participant an amount equal to the credit provided by the Company toward the cost of the Participant's healthcare coverage (determined based on the Participant's salary band, plan election and coverage tier immediately prior to the Qualifying Termination and including any Wellness credit to which the Participant was entitled immediately prior to the Qualifying Termination) for the period determined in accordance with the following chart (the "Benefits Subsidy"):

Participant Agent: Participant's Level of Employment JPMorgan Chase Bank, N.A.	
Company	8181 Communications Pkwy Plano, TX 75024 270
	Aggregate Amount of Company Benefits Subsidy
Executive Vice President	Attention: Peter Predun 18 months of Benefits Subsidy
Senior Vice President	Email: peter.predun@jpmorgan.com 15 months of Benefits Subsidy
Vice President	<p>Telephone: (972) 324-8059</p> <p>and</p> <p>JPMorgan Chase Bank, N.A. 10 South Dearborn, Floor L2 Chicago, Illinois 60603</p> <p>Attention: Samantha Saliba Telephone: (312) 732-6654 Email: jpm.agency.cri@jpmorganchise.com (with copy to samantha.b.saliba@chase.com)</p>

12 months of Benefits Subsidy

The Benefits Subsidy will be paid to the Participant in one-lump sum payment on the Company payday specified in the Participant's Agreement, provided that MSC had previously received from such Participant a fully executed Agreement and any revocation period applicable to the Agreement expired without revocation by the Participant.

provided Section 7. that Vesting Acceleration Benefit. In the event a Participant incurs a Qualifying Termination, subject to the provisions of Section 4 above, as of the Termination Date, any notice, request or demand to or upon unvested Awards under the Administrative Agent MSC Industrial Direct, Co. Inc. 2005 Omnibus Incentive Plan or the Lenders MSC Industrial Direct, Co. Inc. 2015 Omnibus Incentive Plan (collectively, the "Omnibus Plans") held by a Participant on the Termination Date shall be deemed to be vested as follows:

(a) For any unvested Options or Stock Appreciation Rights (including any assumed or substituted options or stock appreciation rights) held by the Participant that have an exercise price that is no greater than the Fair Market Value of a Share of the underlying MSC stock on the Termination Date, each such Award will become vested and exercisable with respect to the number of Options or Stock Appreciation Rights that would have vested on the next scheduled vesting date for such Award in accordance with terms of the applicable Award Agreement and Omnibus Plan.

(b) For Restricted Stock Awards, Restricted Stock Unit Awards, Performance Share Awards and other share-based Awards (including assumed or substituted restricted stock, restricted stock units, performance shares and other share-based awards) held by the Participant, any restrictions applicable to each such Award will lapse with respect to the number of Shares that would have vested on the next scheduled vesting date for such Award and any performance conditions imposed with respect to such Shares shall be deemed to be achieved at target performance levels or as otherwise provided in the applicable Award Agreement.

For purposes of this Section 7, capitalized terms not otherwise defined in the Plan shall have the meanings prescribed under the applicable Omnibus Plan. Except as provided in this Section 7, the terms of the Omnibus Plans and the applicable Award Agreements will continue to apply.

Section 8. Outplacement Services. The Plan Administrator may determine, in its sole discretion, to provide outplacement services as part of any Severance Benefit of any Participant ("Outplacement Services"). Any such outplacement services shall be of such nature and such

duration as the Plan Administrator shall determine, in its discretion, and shall be described in the applicable Participant's Agreement. A Participant must commence usage of any Outplacement Services provided in a Severance Benefit no later than ninety (90) days after the Participant's Termination Date. Outplacement Services not commenced by the end of such ninety (90)-day period shall be immediately forfeited.

Section 9. Administration. The Severance Committee of MSC, shall be the plan administrator (the "Plan Administrator"). The Plan Administrator shall be responsible for the overall operation and administration of the Plan. The Plan Administrator may appoint or employ such persons as it, he or she may deem necessary to render advice with respect to any responsibility of the Company or the Plan Administrator under the Plan. The Plan Administrator shall have the exclusive discretionary power and authority to interpret the terms of the Plan and to decide all questions concerning the operation and administration of the Plan including, without limitation, the eligibility of any person to participate in the Plan, the determination whether a Qualifying Termination under the Plan has occurred, the right to and amount of any benefit payable under the Plan to any individual and the date on which any individual ceases to be a Plan Participant. The Plan Administrator's decisions hereunder shall be final and binding on all Participants and all other persons interested or claiming any interest under the Plan. The Plan Administrator may allocate to any one or more of the Company's associates any responsibility it may have under the Plan and may designate any other person or persons to carry out any of its responsibilities under the Plan; provided, however, that the Plan Administrator shall not allocate or designate any responsibility with respect to a Participant who is an "officer" of the Company, within the meaning of Section 16(a)(1) of the Securities Exchange Act of 1934 ("Section 16"), who is subject to the filing requirements of Section 16.

Section 10. Funding. The Plan, as a "severance pay arrangement" within the meaning of Section 3(2)(B)(i) of ERISA, is intended to be, and shall be administered and maintained as, an unfunded welfare benefit plan within the meaning of Section 3(1) of ERISA. This Plan is a "top hat" plan that is available to a select group of management. The Plan shall not be funded through a trust, an insurance contract or otherwise, and all benefit payments under the Plan shall be made from the general assets of the Company. Accordingly, a Participant shall not have any claim against specific assets of Company, and shall be only a general creditor, with respect to any rights the Participant may have under the Plan. All expenses and costs in connection with the operation of the Plan shall be borne by Company.

Section 11. Amendment and Termination. The Plan may be amended or terminated, in whole or in part, at any time by the Plan Administrator, subject to approval, as appropriate, by the Company's Board of Directors. Except as provided below, any such Plan amendment or termination may apply to all, or any designated class or classes of employees (including, without limitation, former employees). Except as provided below, upon termination of the Plan, the Company shall have no further obligations or liabilities hereunder, and all Plan benefits and all Company and Plan Administrator obligations under the Plan shall cease. Notwithstanding the above, except with a Participant's consent, no such amendment or termination shall impair the rights of a Participant with respect to benefits payable hereunder if such Participant ceased to be an Eligible Associate and became entitled to payment of a Severance Benefit under Sections 4, 5, 6, 7 and 8 hereof prior to the date such amendment or termination was adopted.

Section 12. No Employment Contract. This Plan is not a contract of employment, and the terms of employment of an associate with the Company shall not be affected in any way by this Plan except as specifically provided herein. The adoption of this Plan shall not be construed as conferring any legal rights upon any employee for the continuation of an employment

relationship with the Company, nor shall it interfere with the right of the Company to discharge the associate.

Section 13. Miscellaneous.

(a) The payment of a severance pay allowance under the Plan shall not be taken into account for any purpose under any other plan or policy of the Company, except as otherwise specifically provided in the Plan or in such other plan or policy.

(b) No benefit payable under this Plan may be assigned, transferred, pledged as a security for indebtedness or otherwise encumbered, or subjected to any legal process for the payment of any claim against a Participant and any attempt to cause the same to be so subjected shall be null and void and without effect.

(c) Whenever appropriate in the Plan, words used in the singular may be read in the plural; words used in the plural may be read in the singular; and words importing the masculine gender shall be deemed equally to refer to the feminine or be neutral. Any

reference to a Section shall refer to a Section of this Plan, unless otherwise indicated.

(d) The headings of Sections are included solely for convenience of reference, and if there is any conflict between such headings and the text of the Plan, the text shall control.

(e) In the event that the terms of the Plan conflict with the terms of any summary or other description of the Plan, the terms of the Plan shall govern.

(f) This Plan shall be construed in accordance with the Employee Retirement Income Security Act of 1974, as amended, ("ERISA"), and except to the extent preempted by federal law, the Plan shall be construed, administered and enforced in accordance with the laws of the State of New York, without giving effect to the principles thereof relating to the conflict of laws.

Section 14. Successors. The Plan shall bind any successor to all or substantially all of the Company's assets in the same manner and to the same extent that the Company would be obligated under the Plan if no succession had taken place.

Section 15. Nonalienation of Benefits. Except as otherwise specifically provided herein, neither the rights nor any amounts payable under the Plan shall not be subject to any manner of anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, including any liability which is for alimony of other payments for the support of a spouse or former spouse, or for any other relative of a Participant, prior to actually being received by the person entitled to payment under the terms of the Plan. Any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, garnish, execute, levy upon or otherwise dispose of any right to amounts payable hereunder, shall be null and void.

Section 16. Facility of Payment. If a Participant is incompetent, the Company may (i) require the appointment of a conservator or guardian, (ii) distribute amounts to his or her spouse, with respect to a Participant who is married, or to such other relative of an unmarried Participant for the benefit of such Participant, or (iii) distribute such amounts directly to or for the benefit of such Participant; provided however, in all cases, that a conservator, guardian, or other person charged with his or her care has not been appointed. Alternatively, the Company may distribute such amounts to an escrow account established by the Company in its sole and absolute discretion until the proper payee is determined.

Section 17. Overpayment. If, due to mistake or any other reason, a person receives Severance Benefits under the Plan in excess of what the Plan provides, that person shall repay the overpayment to the Company in a lump sum within 30 days of the Company providing notice to such person of the amount of overpayment. If such person fails to so repay the overpayment, then without limiting any other remedies available to the Company, the Company may deduct the amount of the overpayment from any other amounts which become payable to that person under the Plan or otherwise.

Section 18. Claims Procedures. In the event that any person (a "Claimant") makes a claim for benefits under the Plan (a "Claim"), such Claim shall be made by the Claimant's filing a notice thereof with the Plan Administrator within ninety (90) days after such Claimant first has knowledge of such Claim. Each Claimant who has submitted a Claim to the Plan Administrator shall be afforded a reasonable opportunity to state such Claimant's position and to present evidence and other material relevant to the Claim to the Plan Administrator for its consideration in rendering its decision with respect thereto. The Plan Administrator shall render its decision in writing within sixty (60) days after the Claim is referred to it, and a copy of such written decision shall be furnished to the Claimant. Each Claimant whose Claim has been denied by the Plan Administrator shall be provided written notice thereof, which notice shall set forth the following (in a manner calculated to be understood by such Claimant):

1. the specific reason(s) for the denial;
2. specific reference to pertinent provision(s) of the Plan upon which such denial is based;
3. a description of any additional material or information necessary for the Claimant to perfect such Claim and an explanation of why such material or information is necessary; and
4. an explanation of the procedure hereunder for review of such Claim.

Each such Claimant shall be afforded a reasonable opportunity for a full and fair review of the decision of the Plan Administrator denying the Claim. Such review shall be by the Plan Administrator. Such appeal shall be made within ninety (90) days after the Claimant received the written decision of the Plan Administrator and shall be made by the written request of the Claimant or such Claimant's duly authorized representative to the Plan Administrator. In the event of appeal, the Claimant or such Claimant's duly authorized representative may review pertinent documents and submit issues and comments in writing to the Plan Administrator. The Plan Administrator may approve, disapprove or modify the decision of the Plan Administrator, in whole or in part, or may take such other action with respect to such appeal as it deems appropriate. The decision of the Plan Administrator with respect to such appeal shall be made promptly, and in no event later than sixty (60) days after receipt of such appeal, unless special circumstances require an extension of such time within which to render such decision, in which event such decision shall be rendered as soon as possible and in no event later than one hundred twenty (120) days following receipt of such appeal. The decision of the Plan Administrator shall be in writing and in a manner calculated to be understood by the Claimant and shall include specific reasons for such decision and set forth specific references to the pertinent provisions of the Plan upon which such decision is based. The Claimant shall be furnished a copy of the written decision of the Plan Administrator. Such decision shall be final and conclusive upon all persons interested therein, except to the extent otherwise provided by applicable law. Not in limitation of the foregoing, the Plan Administrator shall have the discretion to decide any factual or interpretative issues in its determination of Claims, and the Plan Administrator's exercise of such discretion shall be conclusive and binding as long as it is not arbitrary or capricious. The Company shall be the agent for service of legal process upon this Plan, and its address for such purpose shall be the address of its principal place of business in Melville, New York.

Section 19. Code Section 409A. Notwithstanding anything in the Plan to the contrary, if any amount or benefit that the Company determines would constitute non-exempt "deferred compensation" for purposes of Section 409A of the Code would otherwise be payable or distributable under this Plan by reason of a Participant's termination of employment, then to the extent necessary to comply with Code Section 409A:

- (a) if the payment or distribution is payable in a lump sum to a "specified employee" (within the meaning of Section 409A of the Code), the Participant's right to receive payment or distribution of such non-exempt deferred compensation will be delayed until the earlier of the Participant's death or the seventh month following the Participant's Termination Date; and
- (b) if the payment or distribution is payable over time to a "specified employee" (within the meaning of Section 409A of the Code), the amount of such non-exempt deferred compensation that would otherwise be payable during the six (6) month period immediately following the Participant's Termination Date will be accumulated and the Participant's right to receive payment or distribution of such accumulated amount will be delayed until the earlier of the Participant's death or the seventh month following the Participant's Termination Date and paid on the earlier of such dates, without interest, and the normal payment or distribution schedule for any remaining payments or distributions will commence.

If an amount to be paid under this Plan is payable in two or more installments, each installment shall be treated as a separate payment for purposes of Section 409A. To the extent any expense reimbursement or in-kind benefit to which a Participant is or may be entitled to receive under the Plan constitutes non-exempt "deferred compensation" for purposes of Section 409A of the Code, then (i) such reimbursement shall be paid to the Participant as soon as administratively practicable after the Participant submits a valid claim for reimbursement, but in no event later than the last day of the Participant's taxable year following the taxable year in which the expense was incurred, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during any taxable year of the Participant shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year of the Participant, and (iii) the Participant's right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Plan providing for the payment of any amounts or benefits subject to Code Section 409A upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Plan, references to a "termination," "termination of employment" or like terms shall mean "separation from service." Nothing in this Plan shall operate or be construed to cause the Plan to fail to comply with the requirements of Code Section 409A and, to the extent applicable, it is intended that the Plan comply with the provisions of Code Section 409A and shall be administered in a manner consistent with that intent. Any provision of this Plan that would cause the Plan or any payment made hereunder to fail to satisfy Code Section 409A shall have no force and effect until amended by the Company to comply with Code Section 409A (which amendment may be retroactive to the extent permitted by Code Section 409A) and may be made by the Company without the consent of any Participant.

EXHIBIT A
DESIGNATED SUBSIDIARIES

Sid Tool Co., Inc. DBA MSC Industrial Supply

EXHIBIT 10.5

MSC INDUSTRIAL DIRECT CO., INC. DEFERRED COMPENSATION PLAN
FOR
NON-EXECUTIVE DIRECTORS AND CONSULTANTS

Preamble

The MSC Industrial Direct Co., Inc. Deferred Compensation Plan for Non-Executive Directors and Consultants (the "Plan") is adopted effective until received as of November 1, 2023 by MSC Industrial Direct Co., Inc. ("the Company"). The Company intends that the Plan shall at all times be administered and interpreted in such a manner as to constitute an unfunded plan maintained primarily for the benefit of non-executive members of the Company's Board of Directors and to fulfill the applicable requirements of Section 409A.

ARTICLE 1 DEFINITIONS

1.1. Defined Terms. Certain words and phrases are defined when first used in later paragraphs of this Plan. In addition, the following words and phrases when used herein, unless the context clearly requires otherwise, shall have the following respective meanings:

"Account" means, with respect to any Participant, a bookkeeping entry used as a measurement and determination of the amounts to be paid to a Participant, or his or her designated Beneficiary, pursuant to this Plan and subject to such limits, rules and procedures as the Committee from time to time may adopt under this Plan. The Committee and the Record Keeper may establish and use sub-accounts and other record keeping entries with respect to any Participant's Account, including without limitation any Deferral Account applicable to such Participant.

"Account Balance" means, with respect to any Participant at any particular time, the sum at such time of such Participant's Deferral Account balances. The Account Balance shall be a bookkeeping entry only and shall be utilized solely as a measurement and determination of the amounts to be paid to a Participant, or his or her designated Beneficiary, pursuant to this Plan.

"Affiliate" means a corporation, partnership, limited liability company or other entity that is required to be considered, together with the Company, as a single employer under §414(b) of the Code (employees of a controlled group of Companies) or §414(c) of the Code (employees of partnerships or limited liability companies under common control). For purposes of determining a controlled group of Companies under §414(b) of the Code, the language "at least 50 percent" shall be used instead of "at least 80 percent" each place it appears in §1563(a)(1), (2), and (3) of the Code. For purposes of determining trades or businesses that are under common control for purposes of §414(c) of the Code, "at least 50 percent" shall be used instead of "at least 80 percent" each place it appears in Treasury Regulation §1.414(c)-2. An entity shall not be considered an "Affiliate" for any period of time prior to satisfying the controlled group or common control tests described above.

"Beneficiary" means one or more persons, trusts, estates, or other entities, designated in accordance with Article 8 that are entitled to receive benefits under this Plan upon the death of a Participant.



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"Beneficiary Designation Form" means the form established from time to time by the Committee that a Participant completes, signs and returns to the Company to designate one or more Beneficiaries. Beneficiary Designation Forms may be completed and/or signed using such online systems and other electronic means as the Committee or Record Keeper from time to time may designate for such purpose.

"Board of Directors" shall mean the Board of Directors of the Company.

Notices **"Calendar Year"** means the annual period measured from January 1 to December 31. **"Code"** means the Internal Revenue Code of 1986, as the same may be amended from time to time.

"Committee" means the Compensation Committee of the Board of Directors. **"Company"** means MSC Industrial Direct Co., Inc.

"Deferral Account" means an Account consisting of the sum of (i) all of a Participant's deferrals of Director Fees, Stock Unit Deferrals, plus Notional Investment Adjustments in value credited or debited thereon in accordance with Article 4, less (iii) all distributions from such account.

"Deferral Election Form" means notice filed by a Participant with the Record Keeper specifying the amount of the Participant's Pay Type(s) to be deferred, and the time and form of distribution payments. Deferral Election Forms may be completed and/or signed using such online systems and other communications electronic means as the Committee or Record Keeper from time to time may designate for such purpose.

"Director Fees" means any all cash fees payable to a Non-Executive Director for service on the Board of Directors or on a committee of the Board of Directors, including without limitation any meeting fees or excess meeting fees.

"Dividend Equivalent" shall have the meaning set forth in the Equity Plan. **"Effective Date"** means November 1, 2023.

"Eligible Consultant" means any consultant or advisor who is eligible to participate in the Equity Plan and who is selected to participate herein in accordance with the provisions of Article 2.

"Equity Plan" means MSC Industrial Direct Co., Inc. 2023 Omnibus Incentive Plan, as amended and in effect from time to time.

"Hardship Distribution" means any distribution or waiver of deferral granted by the Committee pursuant to Article 7.

"Non-Executive Director" means any non-executive director serving on the Board of Directors.

"Notional Investment" means any security, fund, account, sub-account, index, formula or other instrument, asset, measure or method from time to time designated by the Committee as a means to calculate the amount of any Notional Investment Adjustment, if determined to be offered by the Committee. Notional Investment shall mean Shares with respect to deferred RSUs, any Dividend Equivalents attributable to any RSU deferrals, and Stock Unit Deferrals.

"Notional Investment Adjustment" means earnings, gains, losses and any other adjustments made with respect to any amounts deferred, which adjustments are made based on the performance of a Notional Investment pursuant to Article 4.

"Participant" means any Non-Executive Director and any Eligible Consultant (i) who elects to participate in the Plan, (ii) who signs the required Deferral Election Forms, , (iii) whose signed Deferral Election Forms are accepted by the Committee, and (iv) who commences participation in the Plan. A spouse or former spouse (or Beneficiary) of a Participant shall not be treated as a Participant in the Plan, even if he or she has an interest in the Participant's benefits under the Plan as a result of applicable law or property settlements resulting from legal separation or divorce.

"Permissible Change Election" means an election to change the time or form of payment of any benefit under the Plan that:

- (a) does not take effect until at least 12 months after the date on which such election to delay or change is made;
- (b) is made at least 12 months prior to the ~~Lenders hereunder~~ date previously scheduled for the payment affected thereby;
- (c) postpones the payment affected thereby for a period of not less than 5 years from the date when such payment otherwise would have been made; provided, however, that this restriction shall not apply in the case of a payment on account of a death or an Unforeseeable Emergency; and
- (d) does not accelerate the scheduled time for payment of any distribution, except as permitted under Section 409A Requirements.

For purposes of the foregoing, unless otherwise required under applicable Section 409A Requirements, any distribution that a Participant elects to receive in a series of installments shall be treated as being a single payment on the date of the first installment of such series.

"Plan" means this MSC Industrial Direct Co., Inc. Deferred Compensation Plan for Non- Executive Directors and Consultants as amended and in effect from time to time.

"Plan Year" means each Calendar Year beginning with the calendar year which first follows the Effective Date.

"Record Keeper" means the party designated as the Record Keeper, as such designation may be delivered~~amended~~ from time to time in the discretion of the Committee. In the absence of any such

designation, or furnished by electronic communications should the Record Keeper be unable or unwilling to serve, the Company shall perform the duties of the Record Keeper under this Plan.

“RSU” means an award of restricted stock units granted to a Non-Executive Director or Eligible Consultant pursuant to procedures Article 7 of the Equity Plan.

“Section 409A” means Section 409A of the Code, as the same may be amended from time to time, and any successor statute thereto. References to Section 409A or any requirement under Section 409A, as the same may be interpreted, construed or applied to this Plan at any particular time, shall be deemed to mean and include, to the extent then applicable and then in force and effect (but not to the extent overruled, limited or superseded), published guidance, regulations, notices, rulings and similar announcements issued by the Internal Revenue Service or by the Secretary of the Treasury under or interpreting Section 409A, decisions by any court of competent jurisdiction involving a Participant or a Beneficiary and any closing agreement made under §7121 of the Code that is approved by the **Administrative Agent**; Internal Revenue Service and involves a Participant, all as determined by the Committee in good faith, which determination may (but shall not be required to) be made in reliance on the advice of such tax counsel or other tax professional(s) with whom the Committee from time to time may elect to consult with respect to any such matter.

“Section 409A Discretionary Payment Period” provided means with respect to any designated payment date, the period during which payments will be treated as having been made upon such designated payment date under Treasury Regulation §1.409A-3(d), providing for payments to be treated as timely if made no earlier than thirty (30) days prior to such designated payment date and no later than the end of the Calendar Year in which such designated payment date occurs, or if later, by the 15th day of the third calendar month following such designated payment date.

“Section 409A Requirement” means any requirement under Section 409A, the failure of which would result in the imposition or accrual of interest or additional taxes under Section 409A on or with respect to any income intended to be deferred under the Plan.

“Shares” shall have the meaning set forth in the Equity Plan.

“Stock Unit Deferrals” means (i) RSU deferrals and (ii) any Dividend Equivalents attributable to any RSU deferrals.

“Termination” or “Separation from Service” shall be interpreted consistently with all Section 409A Requirements according to the following specifications:

(a) **Non-Executive Director.** A Non-Executive Director is considered to have a Termination or Separation from Service when the Non-Executive Director ceases to be a member of the Board of Directors by reason other than death and ceases to perform any services.

(b) **Eligible Consultant.** An Eligible Consultant is considered to have a Termination or Separation from Service upon the cessation of the contract (or in the case of more than one contract, all contracts) under which services are performed to the Company or an Affiliate, provided that such cessation constitutes a good-faith and complete termination of the contractual relationship.

"Unforeseeable Emergency" means, with respect to any particular Participant, (i) a severe financial hardship of such Participant resulting from an illness or accident suffered by such Participant, by such Participant's spouse or by a dependent (within the meaning of §152 of the Code without regard to §152(b)(1), (b)(2) and (d)(1)(B) of the Code) of such Participant; (ii) a Participant's loss of property due to casualty; or (iii) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. It is the Company's responsibility to determine whether there is an Unforeseeable Emergency in accordance with Section 409A with respect to any Participant and to advise the Record Keeper accordingly.

* * * * *

It is intended that the Plan shall conform with all applicable Section 409A Requirements. Accordingly, in interpreting, construing or applying any of the foregoing definitions or any of the terms, conditions or provisions of the Plan, the same shall not apply be construed in such manner as shall meet and comply with Section 409A Requirements then applicable thereto, and in the event of any inconsistency with any Section 409A Requirements, the same shall be reformed so as to notices pursuant meet such Section 409A Requirements to the fullest extent then permitted without penalty (and without imposition or accrual of interest or additional taxes) under Section 409A.

ARTICLE 2 ELIGIBILITY AND PARTICIPATION

2.1. 2 Selection and Section 3 unless otherwise agreed by. Participation in the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may Plan shall be limited to Non-Executive Directors and Eligible Consultants, as determined by the Committee in its sole discretion. Any action so taken with respect to any particular notices Participant or communications.

10.3. No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, group of Participants shall not imply a right on the part of any other Participant or group of Participants to enroll for or receive additional benefits or amounts of benefits. The Committee may terminate the Administrative Agent right of any existing Participant to file additional Deferral Election Forms under this Plan, and shall terminate any such right for a Participant who ceases to meet any of the requirements applicable to participation in this Plan.

2.2. Enrollment. As a condition to participate, each Non-Executive Director and Eligible Consultant shall complete, execute and return to the Record Keeper the required Deferral Election Forms within thirty (30) days after he or she is selected to participate in the Plan. The Committee may establish from time to time such other enrollment requirements as it determines in its sole discretion are necessary, convenient or appropriate to carry out any of the purposes or intent of the Plan or to better assure the Plan's compliance with Section 409A Requirements. Non-Executive Directors and Eligible Consultants also shall submit to the Record Keeper a Beneficiary Designation Form, but receipt of the Beneficiary Designation Form within thirty (30) days of eligibility shall not be a condition to enrollment in this Plan.

2.3. Eligibility. Each Non-Executive Director or Eligible Consultant shall commence participation in the Plan as soon as practicable following the completion of the applicable enrollment period, or as of the following Plan Year, as determined by the Committee and as stated in the applicable Deferral Election Form, assuming all enrollment requirements

have been completed, including timely submission of all required enrollment documents to the Record Keeper. If any Non-Executive Director or Eligible Consultant fails to meet all such requirements

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within the period required in accordance with Section 2.2, that Non-Executive Director or Eligible Consultant shall not be eligible to participate in the Plan until the first day of the Plan Year following the delivery to and acceptance by the Committee (or its designee) of the required documents.

ARTICLE 3 CONTRIBUTIONS AND CREDITS

3.1. Deferral Amount. For each Plan Year, a Participant may elect to defer amounts of Director Fees and RSUs using a Deferral Election Form. Any deferral election shall be subject to such limits, rules and procedures from time to time established by the Committee prior to the applicable Plan Year and as provided in the Election Form.

3.2. Election to Defer.

3.2.1. Deferred Amounts. A Deferral Election Form shall apply to any Director Fees that are paid or RSUs granted to a Participant for any period of service that commences following the Calendar Year in which such Deferral Election Form is filed. Notwithstanding previous sentence, a Participant who first becomes eligible to participate in the Plan and who files a Deferral Election Form during the first thirty (30) days of such eligibility may be permitted to have that Deferral Election Form apply in the then-current Calendar Year, at the sole discretion of the Committee, and in such case, the initial deferral shall apply only to (i) any Director Fees that are paid to such Participant for any period of service that commences after the date that such Deferral Election Form is filed or (ii) any RSU that vests more than twelve months from the date that such Deferral Election Form is filed.

3.2.2. Subsequent Plan Years. For each succeeding Plan Year, an irrevocable deferral election shall be made by completing a new Deferral Election Form for that Plan Year, and such other elections as the Committee deems necessary or desirable under the Plan, which elections shall be made by timely filing with the Committee or its designee, in accordance with its and the Committee's rules and procedures, before the end of the Plan Year preceding the Plan Year for which the election is made, unless the Committee determines to allow Deferral Election Forms to remain effective for future years and such form is not revised or revoked in a timely manner by the applicable Participant.

3.2.3. Changes. Deferral Election Forms filed prior to their applicable filing deadline hereunder may be changed, until such filing deadline occurs, by filing an updated or amended Deferral Election Form in accordance with the foregoing requirements.

3.3. RSU Deferrals. On the date that a RSU and Dividend Equivalent award subject to a deferral election hereunder vests in accordance with the terms and conditions of the Equity Plan, a number of notional Shares equal to the number of Shares that would otherwise have been issuable in settlement of such RSU and Dividend Equivalent award shall be

credited to a Participant's Deferral Account and shall become Stock Unit Deferrals. RSUs and Dividend Equivalent awards subject to a deferral election hereunder shall be subject to the same terms and conditions regarding

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vesting and forfeiture to which the Participant would be subject to under the Equity Plan had the Participant not elected to defer receipt of such RSUs and Dividend Equivalents.

ARTICLE 4 ALLOCATION OF FUNDS

4.1. Credit/Debiting of Account Balances. In accordance with, and subject to, the rules and procedures that are established from time to time by the Committee, in its sole discretion, amounts shall be credited or debited to a Participant's Account in accordance with this Article 4.

4.2. Notional Investment Calculations. The Committee shall designate in its sole discretion one or more Notional Investments to be used to calculate Notional Investment Adjustments to be credited or debited to Participants' Accounts, as if each Participant were making an actual investment in Notional Investments with his or her Account Balance. The Committee may also determine not to offer any such Notional Investment options, and this may also change each Plan Year. The Committee is under no obligation to offer any or any Lender, particular Notional Investments. If offered, Notional Investments shall be used to calculate bookkeeping entries in each Participant's respective Account, and shall be utilized solely as a means to calculate and adjust Account Balances pursuant to this Plan. The Committee from time to time may delete, modify, substitute or otherwise change any right, remedy, power or privilege hereunder or Notional Investment under the Plan for any reason with respect to any future Account Balance calculations, and the Committee may impose such limits, rules and procedures governing the frequency, timing, methods and other Loan Documents matters pertaining to the calculation of Notional Investment Adjustments, and the use, effectiveness and application thereof, as the Committee from time to time may deem to be necessary, convenient or appropriate for purposes of administering the Plan.

4.3. Election of Notional Investment. If the Committee shall operate approve more than one Notional Investment to be used with respect to any Plan Year, then each Participant may elect one or more Notional Investment(s) to be used to calculate the Notional Investment Adjustments to be credited or debited, as the case may be, to his or her Account under this Article 4. Each Participant shall specify the portions of his or her Account to be allocated to one or more Notional Investments, if any, as if the Participant was making an actual investment in that Notional Investment with that portion of his or her Account Balance. The Committee may impose such limits, rules and procedures governing the frequency of permitted changes, timing of effectiveness, minimum and maximum amounts (if any) and other matters pertaining to Notional Investments, and the use, effectiveness and application thereof, as the Committee from time to time may deem to be necessary, convenient or appropriate for purposes of administering the Plan, including the designation of a waiver thereof; nor default option in the event a Participant fails to make a valid election.

4.4. Credit or Debiting Method. The Participant's Account will be credited or debited, as the case may be, with the increase or decrease in the performance of each Notional Investment selected by the Participant, if any, as though the portion of the Participant's Account Balance was actually invested in the Notional Investments selected by the Participant, in the percentages (if more than one Notional Investment is available under this Plan) then applicable to each portion of the

Participant's Account. The value of each Notional Investment shall any single be calculated under the Plan as of the close of business on the business day when the published or partial exercise calculated value of such

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Notional Investment becomes effective generally, but not more frequently than once per business day. The Committee from time to time may specify such times, frequencies, methods, rules and procedures for calculating the value of any right, remedy, power or privilege hereunder preclude particular Notional Investment (for example, specifying that interest on money market funds shall be calculated and credited on a monthly basis).

4.5. No Actual Investment. Notwithstanding any other or further exercise thereof or provision of this Plan that may be interpreted to the exercise contrary, each Notional Investment is to be used for measurement purposes only. A Participant's election of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive Notional Investment(s), the allocation of any portion of his or her Account thereto and the use of any Notional Investment(s) to calculate any Notional Investment Adjustment in value to be credited or debited to his or her Account shall not be considered or construed in any manner as an actual investment of his or her Account in any such Notional Investment. In the event that the Company, in its own discretion, decides to invest funds in any or all of the Notional Investments, no Participant shall have any rights remedies, powers or interests in or to any such investment. Without limiting the foregoing, a Participant's Account Balance shall at all times be a bookkeeping entry only, and privileges provided shall not represent any actual investment made on his or her behalf by law. the Company. The Participant shall at all times remain an unsecured creditor of the Company.

10.4. 4.6. Survival of Representations RSUs, Dividend Equivalents, and Warranties Notional Shares. All representations Stock Unit Deferrals shall be notionally invested in Shares from the vesting date applicable to the deferred RSUs and warranties made hereunder, Dividend Equivalents, until such time as the deferred RSUs and Dividend Equivalents under the Participant's Deferral Account are distributed to the Participant. Notional Shares credited to a Participant's Deferral Account shall be subject to adjustment in the other Loan Documents same manner and in any document, certificate under the same circumstances as would apply to outstanding RSUs or statement delivered pursuant hereto Shares under the Equity Plan.

ARTICLE 5 VESTING

5.1. Vesting of Benefits. The Participant's Account Balance attributable to his or in connection herewith shall survive the execution her Deferral Accounts, and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder. Notional Investment Adjustments thereto, will always be one hundred percent (100%) vested.

ARTICLE 6 DISTRIBUTION OF BENEFITS

10.5. 6.1. Payment of Expenses and Taxes; Limitation of Liability Death Benefit.

6.1.1. Pre-Commencement Death Benefit. If a Participant dies prior to the commencement of his or her Separation from Service payment then the Company shall pay the Participant's vested Account Balance as a death

benefit to such Participant's Beneficiary in a single cash lump sum upon death.

6.1.2. Post Commencement Death Benefit. If a Participant dies after the commencement of his or her Separation from Service payment, the Company shall pay the Participant's vested Account Balance as a death benefit to such Participant's Beneficiary in a single cash lump sum upon death.

6.2. Separation from Service/Termination Benefit. In the event of a Participant's Termination or Separation from Service, either voluntarily or involuntarily, the Company shall pay the Participant's vested Account Balance to the Participant consistent with the Participant's Deferral Election Form(s). The Deferral Election Form shall permit payment in the form of cash (or, in the case of Stock Unit Deferrals and any adjustments thereto, Shares) as either (i) a single lump sum following Termination or Separation from Service or (ii) if determined in the sole discretion of the Committee and provided on a Deferral Election Form, a series of equal annual installments for a period of no more than five (5) years following Termination or Separation from Service, or such other period of time as may be offered by the Committee and set forth on the Deferral Election Form. In the absence of a Participant's express election as to the time and form of payment, payment shall be made in the form of cash (or, in the case of Stock Unit Deferrals and any adjustments thereto, Shares) as a single lump sum following Termination or Separation from Service.

6.3. Payments. A Participant's vested Account Balance shall be distributed in one or more annual installments as set forth in the Participant's Deferral Election Form. The amount shall be calculated by taking the amount of the Participant's vested Account Balance divided by the total number of installments (in the case of a lump sum distribution, divided by one). This amount is to be valued as of the end of the day (the "Valuation Date") that is the date of the event giving rise to the distribution or such other date as reasonably determined by the Committee. Payments shall be made as soon as practicable, but, in any event, within sixty (60) days after the Valuation Date (extended, in the case of death, by such reasonable period of time as the Committee may require to confirm the existence of such death within the Section 409A Discretionary Payment Period). If there shall be more than one installment to be paid, then each subsequent installment shall be calculated on the anniversary of the Valuation Date, by taking the Participant's Account Balance as of the close of business on such anniversary, and dividing such amount by the number of installments then remaining, with payment to be made as soon as practical, but in any event within sixty (60) days of said anniversary. The final installment payment shall be equal to the remaining Account Balance of the Participant. In no event shall the amount of any lump sum or installment payment to a Participant exceed the remaining vested Account Balance of such Participant. For purposes of the foregoing, unless otherwise required under applicable Section 409A Requirements, any distribution that a Participant elects to receive in a series of installments shall be treated as being a single payment on the date of the first installment of such series.

6.4. No Acceleration; Changes; Certain Delays. The time or schedule for payment of any distribution under the Plan may not be accelerated, except as set forth in this Plan and as permitted under applicable Section 409A Requirements. No election may be made to change the time or form of payment of any distribution under this Plan, or any installment thereof, except for a Permissible Change Election. Despite the foregoing, to the extent consistent with applicable Section 409A Requirements, the Committee may elect to delay payment of any benefit hereunder if such benefit would violate securities laws, or if there is a bona fide payment dispute (but only if the applicable Participant or Beneficiary is diligently attempting to collect the applicable benefit and does not control the Company or the Committee, or control the Company's or the

Committee's decisions with respect thereto); and to the extent permitted under Section 409A Requirements, the time or schedule of payment of a benefit hereunder may be accelerated:

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(a) to the extent that such benefit (or this Plan as it pertains thereto in the case of any particular Participant) fails to meet Section 409A Requirements, but only in an amount equal to the amount required to be included in income as a result of the failure to comply with Section 409A Requirements;

(b) for payment to an individual other than a Participant, to the extent necessary to fulfill a domestic relations order as provided in Section 11.6; or

(c) as more particularly provided in Section 6.10, Article 7 or Section 11.8.

6.5. **No Duplication of Benefits.** This Plan is intended to provide benefits based on a Participant's Account Balance, subject to the terms and conditions hereof. Nothing in this Plan shall be construed to express or imply the right of any Participant to receive, or to have his or her Beneficiary(ies) receive, benefits in amounts exceeding in the aggregate his or her vested Account Balance.

6.6. **Date of Payment.** The timing of payment hereunder shall in all events comply with all Code Section 409A Requirements. All designated payment events shall be interpreted so as to be limited to permissible payment events under Code Section 409A. Any discretion exercised by the Committee with respect to the timing of payments hereunder shall come within the Section 409A Discretionary Payment Period.

6.7. **Tax Withholding and Reporting.** The Company shall have the right to deduct any required withholding taxes from any payment made under this Plan.

ARTICLE 7 UNFORESEEABLE EMERGENCIES

7.1. **Application for Hardship Distribution or Deferral Election Termination.** In the event that any Participant incurs an Unforeseeable Emergency, if consistent with applicable Section 409A Requirements, such Participant may apply to the Committee for a Hardship Distribution in the form of (i) cancellation of existing deferral elections for amounts not yet earned by such Participant, and (ii) to the extent cancellation of all such elections is insufficient to satisfy the needs resulting from such Unforeseeable Emergency, an accelerated payment ("Hardship Distribution") of some or all of such Participant's vested Account Balance. The Committee shall consider the circumstances of each such case, and the best interests of the Participant and his or her family, and shall have the right, in its sole discretion, to allow such application, in full or in part, or to refuse to make a Hardship Distribution. In the event that any Participant receives a distribution from this Plan due to an unforeseeable emergency or a hardship pursuant to Treasury Regulation §1.401(k)-1(d)(3) (or successor regulation thereto, to the extent recognized for these purposes under Section 409A Requirements), such Participant's existing deferral elections for amounts not yet earned by such Participant shall be cancelled for the remainder of the Plan Year.

7.2. **Amount of Distribution.** In no event shall the amount of any Hardship Distribution payment exceed the lesser of: (a) the Participant's vested Account Balance, or (b) the amount determined by the Committee to be necessary to alleviate

the hardship, including any taxes payable by the Participant as a result of receiving such Hardship Distribution, and which is not reasonably available from other resources of the Participant, including reimbursement or compensation from

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insurance or otherwise, by liquidation of the Participant's assets (unless liquidation of such assets would cause severe financial hardship) or by cessation of deferrals under this Plan or other nonqualified plans in which such Participant participates, all in a manner consistent with any applicable Section 409A Requirements.

7.3. Rules Adopted by Committee. The Borrower agrees Committee shall have the authority to ~~pay~~ adopt additional rules and procedures relating to Hardship Distributions. The request to take a Hardship Distribution shall be made by filing a form provided by and filed with the Committee and shall be accompanied by appropriate documentation evidencing the existence and extent of the hardship consistent with Section 409A Requirements.

ARTICLE 8 BENEFICIARY DESIGNATION

8.1. Beneficiary. Each Participant shall have the right, at any time, to designate his or ~~reimburse~~ her Beneficiary(ies) (both primary as well as contingent) to receive any benefit under this Plan after the ~~Administrative Agent~~ Participant's death. The Beneficiary designated under this Plan may be the same as or different from the beneficiary designation under any other plan of the Company in which the Participant participates.

8.2. Beneficiary Designation; Change; Spousal Consent. A Participant shall designate his or her Beneficiary by completing and signing the Beneficiary Designation Form and returning it to the Record Keeper. A Participant shall have the right to change a Beneficiary by completing, signing and otherwise complying with the terms of the Beneficiary Designation Form and the Committee's rules and procedures, as in effect from time to time. If the Participant names someone other than his or her spouse as a Beneficiary, then to the extent required by applicable law, a spousal consent, in the form designated by the Committee, must be signed by that Participant's spouse and returned to the Record Keeper. The Committee and the Record Keeper shall be entitled to rely on the last Beneficiary Designation Form filed by the Participant and accepted by the Committee prior to his or her death.

8.3. Acknowledgement. No designation or change in designation of a Beneficiary shall be effective until received and accepted by the Committee.

8.4. No Beneficiary Designation. If a Participant fails to designate a Beneficiary as provided above, or if all designated Beneficiaries predecease the Participant or die prior to complete distribution of the Participant's benefits, then the Participant's designated Beneficiary shall be deemed to be his or her surviving spouse. If the Participant has no surviving spouse, the benefits remaining under the Plan to be paid to a Beneficiary shall be payable to the Participant's estate.

8.5. Doubt as to Beneficiary. If the Record Keeper has any doubt as to the proper Beneficiary to receive payments pursuant to this Plan, the Committee shall have the right, exercisable in its ~~Affiliates~~ discretion, to cause the Company to withhold such payments until this matter is resolved to the Committee's satisfaction.

8.6. **Discharge of Obligation.** The payment of benefits under the Plan to a Beneficiary shall fully and completely discharge the Company and the Committee from all further obligations under the Plan with respect to the Participant.

ARTICLE 9
MANAGEMENT AND ADMINISTRATION OF THIS PLAN

9.1. The Committee.

9.1.1. The Committee shall be responsible for the management, operation and administration of the Plan, and for processing claims under Article 10. The Committee shall administer the Plan in accordance with its terms and shall have the discretion, power and authority to determine all its reasonable out-of-pocket costs and expenses incurred questions arising in connection with the development, preparation administration, interpretation and execution application of the Plan. Any such determination shall be conclusive and binding upon all persons. The Committee shall have all powers necessary or appropriate to accomplish its duties under the Plan. The Committee from time to time may employ others to render advice with regard to its responsibilities under this Plan and to perform services under this Plan, including the services contemplated to be performed by the Record Keeper. The Committee may also allocate its responsibilities to others and may exercise any amendment, supplement other powers necessary for the discharge of its duties.

9.1.2. No member of the Committee will have any right to vote or modification decide upon any matter relating solely to this Agreement such member under the Plan or to vote in any case in which such member's individual right to claim any benefit under the Plan is particularly involved. In any case in which a Committee member is so disqualified to act and a majority of the remaining members cannot agree, the Company's Board of Directors will appoint a temporary substitute member to exercise all the powers of the disqualified member concerning the matter in which such member is disqualified.

9.2. **Information from Company.** The Company and each Affiliate shall supply full and timely information to the Committee and the other Loan Documents and any other documents prepared in connection herewith or therewith, Record Keeper on all matters as may be required properly to administer the Plan. The Committee and the consummation Record Keeper may rely upon the correctness of all such information as is so supplied and administration shall have no duty or responsibility to verify such information. The Committee and the Record Keeper shall also be entitled to rely conclusively upon all tables, valuations, certifications, opinions and reports furnished by any actuary, accountant, controller, counsel or other person employed or engaged by or on behalf of the transactions contemplated hereby and thereby, including Company or the reasonable fees and disbursements of counsel to the Administrative Agent and filing and recording fees and expenses, with statements Committee with respect to the foregoing to be submitted Plan.

9.3. **Indemnification.** The Company, to the Borrower prior to the Closing Date (in the case of amounts to be paid on the Closing Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate.

(b) To the fullest extent permitted by applicable law, (i) the Borrower and any Loan Party shall not assert, and the Borrower and each Loan Party hereby waives, any claim against the Administrative Agent, any Co-Syndication Agent, any Co-Documentation Agent, any Issuing Lender and any Lender, and any Related Party of any of the foregoing Persons (each such Person being called a "Lender-Related Person") for any

Liabilities arising from the use by others of information or other materials (including, without limitation, any personal data) obtained through telecommunications, electronic or other information transmission systems (including the Internet), and (ii) no party hereto shall assert, and each such party hereby waives, any Liabilities against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof; provided that, nothing in this Section 10.5(b) shall relieve the Borrower and each Loan Party of any obligation it may have to indemnify an Indemnitee, as provided in Section 10.5(c), against any special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(c) The Borrower agrees (i) to pay or reimburse each Lender, each Issuing Lender and the Administrative Agent for all its reasonable costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any such other documents, including the reasonable fees and disbursements of counsel to each Lender and each Issuing Lender and of counsel to the Administrative Agent, (ii) to pay, indemnify and hold each Lender, each Issuing Lender and **harmless** the Administrative Agent **harmless** from, any and all recording and filing fees that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any members of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, Committee, the other Loan Documents and any such other documents and (iii) to pay, indemnify, and hold each Lender, each Issuing Lender and the Administrative Agent **Record Keeper** and their respective employees, officers, directors, employees, partners, agents, affiliates agents and controlling persons and each Related Party of any of the foregoing Persons (each, an "Indemnitee") **harmless** **representatives**, from and against any and all **other Liabilities** **claims, losses, liabilities, costs, damages and related expenses** (including without limitation reasonable attorneys' fees) arising from any action or **disbursements** of any kind or nature whatsoever, excluding taxes (as failure to which the provisions of Sections 3.8 and 3.9 shall control) **act** with respect to this Plan on account of such party's services hereunder, except in the **execution, delivery, enforcement, performance** **case of gross negligence or willful misconduct.**

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9.4. **Section 409A Compliance.** The Company intends that this Plan will be established, construed, administered and applied in compliance with all Section 409A Requirements, but in light of uncertainty with respect to such requirements and limits, the Company reserves the right to unilaterally interpret or amend the Plan and/or any Deferral Election Form without the consent of the Participants and to take any actions that may be appropriate to comply with the Section 409A Requirements.

ARTICLE 10 CLAIMS PROCEDURES

10.1. **Claims Procedure.** Any person making a claim for benefits under the Plan must submit the claim in writing to the Committee or its designee. If the Committee or its designee denies the claim in whole or in part, it will issue to the claimant a written notice explaining the reasons for the denial (with specific reference to the Plan provisions on which the denial is based) and identifying any additional information or documentation that might enable the claimant to perfect the claim. The claimant may, within sixty (60) days of receiving a written notice of denial, submit a written request for reconsideration to the Committee or its designee, together with a written explanation of the basis for the request. The Committee or its designee will consider any such request and will provide the claimant with a written decision, which will include a written explanation of the reasons for the decision (with reference to the specific Plan provisions on which the decision is based). All interpretations, determinations, and decisions of the Committee with respect to any claim will be final and conclusive in the absence of clear and convincing evidence that the interpretation, determination, or decision was made arbitrarily or capriciously.

ARTICLE 11 MISCELLANEOUS

11.1. Rabbi Trust. The Company is responsible for the payment of amounts owing to Participants and Beneficiaries under the Plan. At the Company's sole discretion, the Company may establish a grantor trust under Subpart E of Subchapter J, Chapter 1 of the Code for the purpose of holding any assets intended to fund the payment of any benefits under this Plan. The Company shall have no obligation to make any contributions or deposits into such trust and all assets of such trust shall remain subject to the claims of the Company's creditors generally in the event of any insolvency or bankruptcy of the Company. To the extent any benefits provided under the Plan are paid from a grantor trust, the Company will have no further obligation to pay Plan benefits. Any Plan benefits not paid from the grantor trust will remain the Company's obligation.

11.2. No Right to Company Assets Unsecured Claim. Payments to any Participant or Beneficiary hereunder shall be made from assets which shall continue, for all purposes, to be part of the general, unrestricted assets of the Company. No person shall have any interest in any such asset by virtue of any provision of this Plan. The Company's obligation hereunder shall be an unfunded and unsecured promise to pay money in the future. To the extent that any person acquires a right to receive payments from the Company under the provisions hereof, such right shall be no greater than the right of any unsecured general creditor of the Company; no such person shall have or acquire any legal or equitable right, interest or claim in or to any property or assets of the Company.

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In the event that, in its discretion, the Company purchases an insurance policy or policies insuring the life of a Participant or any other property, to allow the Company to recover or meet the cost of providing benefits, in whole or in part, hereunder, no Participant or Beneficiary shall have any rights whatsoever therein or in the proceeds therefrom. The Company shall be the sole owner and beneficiary of any such insurance policy or property and shall possess and may exercise all incidents of ownership therein.

11.3. Captions. The captions of the articles, sections and paragraphs of this Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

11.4. Furnishing Information. Each Participant and his or her Beneficiary(ies) shall cooperate with the Committee and the Record Keeper by furnishing any and all information requested by the Committee or the Record Keeper and take such other actions as may be requested in order to facilitate the administration of the Plan and the payments of benefits hereunder, including but not limited to taking such physical examinations as the Committee may deem necessary.

11.5. No Contract. Nothing contained herein shall be construed to be a service contract for any term of years, nor as conferring upon any Participant the right to continue to be engaged by the Company or any Affiliate in his or her present capacity or in any capacity. It is expressly understood that this Agreement, Plan relates to the other Loan Documents payment of deferred compensation for each Participant's services, and is not intended to be a contract.

11.6. Benefits Not Transferable. No Participant or Beneficiary under this Plan shall have any power or right to transfer, assign, anticipate, hypothecate or otherwise encumber any part or all of the amounts payable hereunder. No such amounts shall be subject to seizure by any creditor of any such other documents, including any Participant or Beneficiary, by a

proceeding at law or in equity, nor shall such amounts be transferable by operation of law in the event of bankruptcy, insolvency or death of the foregoing relating Participant or Beneficiary. Any such attempted assignment shall be void.

The interest in the benefits hereunder of a spouse of a Participant who predeceases the Participant shall automatically pass to the use Participant and shall not be transferable by such spouse in any manner, including but not limited to such spouse's will, nor shall such interest pass under the laws of proceeds of intestate succession.

Notwithstanding the Loans or Letters of Credit (including any refusal by an Issuing Lender foregoing, to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly extent necessary to comply with the terms of a "domestic relations order" (as defined in §414(p)(1)(B) of the Code) the Committee may cause all or a portion of a Participant's Account Balance to be segregated into a sub-Account for the benefit of the Participant's spouse, child or other dependent identified in such Letter of Credit order as the alternative payee and give such alternative payee (or their legal representative if such alternative payee is incompetent or a minor), as applicable (i) the violation of, noncompliance with or liability under, any Environmental Law applicable same Notional Investment alternatives as are available to the operations of any Group Member or any of Participant under the Properties and the reasonable fees and expenses of legal counsel in connection with any Liabilities, claims, actions or proceedings by any Indemnitee against any Loan Party under any Loan Document (all the foregoing in this clause (ii), collectively, the "Indemnified Liabilities"), provided, that the Borrower shall have no obligation hereunder to any Indemnitee Plan with respect to Indemnified Liabilities such sub-Account until distributed, and

(ii) the same distribution form and timing options as are available to the extent such Indemnified Liabilities are found Participant under the Plan or an immediate lump sum payment, all as directed by a final the domestic relations order and nonappealable decision of a court of competent jurisdiction subject to have resulted from the gross negligence or willful misconduct of such Indemnitee or its controlled Affiliates, directors, officers or employees. Without limiting the foregoing, and to the extent permitted by applicable law, the Borrower agrees not to assert and to cause its Subsidiaries not to assert, and hereby waives and agrees to cause its Subsidiaries to waive, all rights for contribution or any other rights of recovery compliance with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnitee. Code Section 409A Requirements.

(d) All amounts due under this Section 10.5 shall be payable not later than 10 days after written demand therefor. Statements payable by the Borrower pursuant to this Section 10.5 shall be submitted to Kristen Actis-Grande, Executive Vice President and Chief Financial Officer (Email: Kristen.Actis-Grande@mscdirect.com), at the address of the Borrower set forth in Section 10.2, or to such other Person or address as may be hereafter designated by the Borrower in a written notice to the Administrative Agent. The agreements in this Section 14.5 shall survive repayment of the Loans and all other amounts payable hereunder.

10.6. 11.7. Successors and Assigns; Participations and Assignments. xvii) The provisions of this Agreement Plan shall be binding upon bind and inure to the benefit of the parties hereto Participant's employer and their respective its successors and assigns permitted hereby (including any affiliate of any Issuing Lender that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section.

(a) (1) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees (other than a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person) or a Defaulting Lender) (each, an "Assignee") all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) with the prior written consent of:

(A) the Borrower (such consent not to be unreasonably withheld or delayed), provided that no consent of the Borrower shall be required for an assignment to a Lender, an affiliate of a Lender, an Approved Fund (as defined below) or, if an Event of Default under Section 8(a) or (f) has occurred and is continuing, any other Person; and provided, further, that the Borrower shall be deemed to have consented to any such assignment unless the Borrower shall object thereto by written notice to the Administrative Agent within five Business Days after having received written notice thereof;

(B) the Administrative Agent (such consent not to be unreasonably withheld or delayed), provided that no consent of the Administrative Agent shall be required for an assignment of all or any portion of a Loan to a Lender, an affiliate of a Lender or an Approved Fund;

(C) with respect to the Revolving Commitment and Revolving Loans only, the Issuing Lenders (such consent not to be unreasonably withheld or delayed), provided that no consent of the Issuing Lenders shall be required for an assignment of all or any portion of a Loan to a Lender, an affiliate of a Lender or an Approved Fund; and

(D) no assignment of Incremental Term Loans may be made to the Borrower or its Affiliates except pursuant to, and in accordance with the terms of, Section 3.13, and no assignment of Revolving Loans or Revolving Commitments may be made to the Borrower or its Affiliates.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitments or Loans under any Facility, the amount of the Commitments or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 unless each of the Borrower Participant and the Administrative Agent otherwise consent, provided that (1) no such consent of the Borrower shall be required if an Event of Default under Section 8(a) or (f) has occurred and is Participant's designated Beneficiaries.

continuing11.8. Amendment and (2) such amounts shall be aggregated in respect of each Lender and its affiliates or Approved Funds, if any;

(B) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; and

(C) the Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire in which the Assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower and its Affiliates and their related parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities law.

For the purposes of this Section 10.6, "TerminationApproved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an affiliate of a Lender or (c) an entity or an affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) below, from and after the effective date specified in each Assignment and Assumption the Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.8, 3.9, 3.10 and 10.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 10.6 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount (and stated interest) of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent, the Issuing Lenders and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender (as to its interest only) at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an Assignee, the Assignee's completed administrative questionnaire (unless the Assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(b) (2) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (other than a natural

person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person) or a Defaulting Lender) (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent, the Issuing Lenders and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that (1) requires the consent of each Lender directly affected thereby pursuant to the proviso to the second sentence of Section 10.1 and (2) directly affects such Participant. Subject to paragraph (c) (ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits and subject to the limitations of Sections 3.8, 3.9 and 3.10 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.7(b) as though it were a Lender, provided such Participant shall be subject to Section 10.7(a) as though it were a Lender. Each Lender that sells a participation, acting solely for this purpose as an agent of the Borrower, shall maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive, and such Lender, each Loan Party and the Administrative Agent shall treat each person whose name is recorded in the Participant Register pursuant to the terms hereof as the owner of such participation for all purposes of this Agreement, notwithstanding notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(ii) A Participant shall not be entitled to receive any greater payment under Section 3.8 or 3.9 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. No Participant shall be entitled to the benefits of Section 3.9 unless such Participant complies consistent with Section 3.9(d) as if it were a Lender.

(c) Any Lender 409A Requirements, this Plan may be amended or terminated by the Company at any time, pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or Assignee for such Lender as a party hereto.

(d) The Borrower, upon receipt of written notice from the relevant Lender, agrees to issue Notes to any Lender requiring Notes to facilitate transactions of the type described in paragraph (d) above.

(e) Notwithstanding the foregoing, any Conduit Lender may assign any or all of the Loans it may have funded hereunder to its designating Lender without the consent of the Borrower or the Administrative Agent and without regard to the limitations set forth in Section 10.6(b). The Borrower, each Lender and the Administrative Agent hereby confirms that it will not institute against a Conduit Lender or join any other Person in instituting against a Conduit Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any state bankruptcy or similar law, for one year and one day after the payment in full of the latest maturing commercial paper note issued by such Conduit.

Lender; provided, however, that each Lender designating any Conduit Lender hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage or expense arising out of its inability to institute such a proceeding against such Conduit Lender during such period of forbearance.

10.7. Adjustments; Set-off. xviii) Except to the extent that this Agreement or a court order expressly provides for payments to be allocated to a particular Lender or to the Lenders under a particular Facility, if any Lender (a "Benefitted Lender") shall, at any time after the Loans and other amounts payable hereunder shall immediately become due and payable pursuant to Section 8, receive any payment of all or part of the Obligations owing to it (other than in connection with an assignment made pursuant to Section 10.6), or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 8(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the Obligations owing to such other Lender, such Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of the Obligations owing to each such other Lender, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest; provided, further, that to the extent prohibited by applicable law as described in the definition of "Excluded Swap Obligation," no amounts received from, or set off with respect to, any Loan Party shall be applied to any Excluded Swap Obligations of such Loan Party.

(a) In addition to any rights and remedies of the Lenders provided by law, each Lender and its affiliates shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, upon any Obligations becoming due and payable by the Borrower (whether at the stated maturity, by acceleration or otherwise), to apply to the payment of such Obligations, by setoff or otherwise, any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender, any affiliate thereof or any of their respective branches or agencies to or for the credit or the account of the Borrower; provided that if any Defaulting Lender shall exercise any such right of set-off, (i) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of this Agreement and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Lenders and the Lenders and (ii) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the obligations owing to such Defaulting Lender as to which it exercised such right of set off. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such application made by such Lender, provided that the failure to give such notice shall not affect the validity of such application.

10.8. Counterparts; Electronic Execution. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Loan Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 10.2), certificate, request, statement, disclosure or authorization related to this Agreement, any other Loan Document and/or the transactions contemplated hereby and/or thereby (each an "Ancillary Document") that is an Electronic Signature transmitted by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Loan Document or such Ancillary Document, as applicable. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement, any other Loan Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a

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paper-based recordkeeping system, as the case may be; provided that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; provided, further, without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Borrower or any other Loan Party without further verification thereof and without any obligation to review the appearance or form of any such Electronic signature and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, the Borrower, each Loan Party, and in the case of clause (i), the Administrative Agent and the Lenders hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders, the Borrower and the Loan Parties, Electronic Signatures transmitted by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Loan Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original. (ii) the Administrative Agent and each of the Lenders may, at its option, create one or more copies of this Agreement, any other Loan Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record). (iii) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Loan Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (iv) waives any claim against any Lender-Related Person for any Liabilities arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual executed signature page, including any Liabilities arising as a result of the failure of the Borrower and/or any Loan Party to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

10.9. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.10. Integration. This Agreement and the other Loan Documents represent the entire agreement of the Borrower, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

10.11. GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

10.12. Submission To Jurisdiction; Waivers. The Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the United States District Court for the Southern District of New York and, to the extent that such federal court lacks subject matter jurisdiction or diversity jurisdiction, the courts of the State of New York sitting in the Borough of Manhattan, and, in each case, the appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Borrower, at its address set forth in Section 10.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

10.13. Acknowledgements. The Borrower hereby acknowledges and agrees that (a) no fiduciary, advisory or agency relationship between the Loan Parties and the Credit Parties is intended to be or has been created in respect of any of the transactions contemplated by this Agreement or the other Loan Documents, irrespective of whether the Credit Parties have advised or are advising the Loan Parties on other matters, and the relationship between the Credit Parties, on the one hand, and the Loan Parties, on the other hand, in connection herewith and therewith is solely that of creditor and debtor, (b) the Credit Parties, on the one hand, and the Loan Parties, on the other hand, have an arm's length business relationship that does not directly or indirectly give rise to, nor do the Loan Parties rely on, any fiduciary duty to the Loan Parties or their affiliates on the part of the Credit Parties, (c) the Loan Parties are capable of evaluating and understanding, and the Loan Parties understand and accept, the terms, risks and conditions of the transactions contemplated by this Agreement and the other Loan Documents, (d) the Loan Parties have been advised that the Credit Parties are engaged in a broad range of transactions that may involve interests that differ from the Loan Parties' interests and that the Credit Parties have no obligation to disclose such interests and transactions to the Loan Parties, (e) the Loan Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent the Loan Parties have deemed appropriate in the negotiation, execution and delivery of this Agreement and the other Loan Documents, (f) each Credit Party has been, is, and will be acting solely as a principal and, except as otherwise expressly agreed in writing by it and the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Loan Parties, any of their affiliates or any other Person, (g) none of the Credit Parties has any obligation to the Loan Parties or their affiliates with respect to the transactions contemplated by this Agreement or the other Loan Documents except those obligations expressly set forth herein or therein or in any other express writing executed and delivered by such Credit Party and the Loan Parties or any such affiliate and (h) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Credit Parties or among the Loan Parties and the Credit Parties.

10.14. Releases of Guarantees. xix) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Administrative Agent is hereby irrevocably authorized by each Lender (without requirement of notice to or consent of any Lender except as expressly required by Section 10.1) person, pursuant to take any action requested resolutions adopted by the Borrower having Company. Any such amendment or termination shall take effect as of the effect of releasing any guarantee obligations (i) date specified therein and, to the extent necessary, permitted by law and Section 409A Requirements, may have retroactive effect. However, no such amendment or termination shall reduce the vested balance then credited to permit consummation the Participant's Account Balance under Article 4.

11.9. The Company reserves the right to terminate its participation in this Plan. Except as otherwise provided below, the termination of the Plan shall not affect the distribution provisions in effect for the Accounts maintained under the Plan, and all amounts deferred prior to the date of any transaction not prohibited by any Loan Document or that has been consented such Plan termination shall continue to become due and payable in accordance with the distribution provisions in effect immediately prior to such Plan termination. Payment of the Account Balances may be accelerated upon Plan termination and liquidation of the Plan only in compliance with all Section 10.1 409A Requirements as then in effect. Notice. Either the Committee or (ii) the Record Keeper may specify that any election, form, designation, agreement or communication by a Participant under the circumstances described in paragraph (b) below.

(a) At Plan shall be made or submitted online at a site on the World Wide Web designated for such time as the Loans, the Reimbursement Obligations and the purpose, or by other Obligations (other than Obligations under or in respect of Specified Swap Agreements and unmatured contingent reimbursement and indemnification obligations) have been paid in full, the Commitments have been terminated and no Letters of Credit are outstanding (other than Letters of Credit cash collateralized in the manner set forth in Section 2.5(a)), the Guarantee and all obligations (other than those expressly stated to survive such termination) of each Loan Party under the Guarantee shall terminate subject reasonable electronic means. Subject to the provisions thereof, all without delivery of foregoing, any instrument notice, consent or performance of any act by any Person.

10.15. Confidentiality. Each of the Administrative Agent, each Issuing Lender and each Lender agrees demand required or permitted to keep confidential all information (as defined below); provided that nothing herein shall prevent the Administrative Agent, any Issuing Lender or any Lender from disclosing any such information (a) to the Administrative Agent, any other Issuing Lender, any other Lender or any affiliate thereof, (b) subject to an agreement to comply with be given under the provisions of this Section, Plan shall be in writing, and shall be signed by the party giving

or making the same. If such notice, consent or demand is mailed, it shall be sent by United States certified mail, postage prepaid, addressed, if to the Company or the Committee, to the Company at 515 Broadhollow Road, Suite 100 Melville, NY 11747, and if to the Record Keeper, to the Record Keeper at the address provided by the Committee, and if to any actual or prospective Transferee or any direct or indirect counterparty to any Swap Agreement (or any professional advisor Participant, to such counterparty). (c) Participant's address most recently submitted by him or her to its employees, directors, agents, attorneys, accountants and other professional advisors or those the Record Keeper (and in the absence of any of its affiliates who are informed such submission, as most recently appearing on the records of the confidential nature Company). The date of such information mailing shall be deemed the date of notice, consent or demand. Any person may change the address to which notice is to be sent by giving notice of the change of address in the manner aforesaid.

11.10. Facility of Payment. If a distribution is to be made to a minor, or to a person who is otherwise incompetent, then the Committee may, in its discretion, make such distribution (i) to the legal guardian, or if none, to a parent of a minor payee with whom the payee maintains his or her residence, or (ii) to the conservator or committee or, if none, to the person having custody of an incompetent payee. Any such distribution shall fully discharge the Committee, the Record Keeper, the Company and are or have been advised of their obligation to keep information of this type confidential. (d) upon the request or demand of any Governmental Authority, (e) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Plan from further liability on account thereof.

11.11. Governing Law (in which case such Person shall, The Plan and all determinations made and actions taken thereunder, to the extent practicable, promptly notify the Borrower, in advance, unless prohibited by law or court order, except with respect to any audit or examination conducted by bank accountants or any regulatory authority), (f) if requested or required to do so in connection with any litigation or similar proceeding (in which case such Person shall, to the extent practicable, promptly notify the Borrower, in advance, unless prohibited by law or court order), (g) that has been publicly disclosed, (h) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, (i) in connection with the exercise of any remedy hereunder or under any other Loan Document, or (j) if agreed not otherwise governed by the Borrower in its sole discretion, to any other Person. "Information" means all information received from any Loan Party relating to the Borrower or its business, other than any such information that is available to the Administrative Agent, any Issuing Lender or any Lender on a non-confidential basis prior to disclosure by such Loan Party and other than information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry.

Each Lender acknowledges that information furnished to it pursuant to this Agreement may include material non-public information concerning the Borrower and its Affiliates and their related parties or their respective securities, and confirms that it has developed compliance procedures regarding the use of material non-public information and that it will handle such material non-public information in accordance with those procedures and applicable law, including Federal and state securities laws.

All information, including requests for waivers and amendments, furnished by the Borrower Code or the Administrative Agent pursuant to, or in the course of administering, this Agreement will be syndicate-level information, which may contain material non-public information about the Borrower and its Affiliates and their related parties or their respective securities. Accordingly, each Lender represents to the Borrower and the Administrative Agent that it has identified in its administrative questionnaire a credit contact who may receive information that may contain material non-public information in accordance with its compliance procedures and applicable law, including Federal and state securities laws.

10.16. WAIVERS OF JURY TRIAL. THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

10.17. USA PATRIOT Act. Each Lender hereby notifies the Borrower that pursuant to the requirements laws of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act. The Borrower United States, shall promptly provide such information upon request by any Lender. In connection therewith, each Lender hereby agrees that the confidentiality provisions set forth in Section 10.15 shall apply to any non-public information provided to it by the Borrower and its Subsidiaries pursuant to this Section 10.17.

10.18. Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement

or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

10.19. Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Agreements or any other agreement or instrument that is a QFC (such support "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York, and/or without reference to principles of the United States or any other state conflict of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC laws, and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

10.20. Payments.

(a) Each Lender and Issuing Lender hereby agrees that (x) if the Administrative Agent notifies such Lender or Issuing Lender that the Administrative Agent has determined in its sole discretion that any funds received by such Lender or Issuing Lender from the Administrative Agent or any of its Affiliates (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, a "Payment") were erroneously transmitted to such Lender or Issuing Lender (whether or not known to such Lender or Issuing Lender), and demands the return of such construed accordingly.

Payment (or a portion thereof), such Lender or Issuing Lender shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon

in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender or Issuing Lender to the date such amount is repaid to the Administrative Agent at the greater of the New York Fed Bank Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and (y) to the extent permitted by applicable law, such Lender or Issuing Lender shall not assert, and hereby waives, as to the Administrative Agent, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Payments received, including without limitation any defense based on "discharge for value" or any similar doctrine. A notice of the Administrative Agent to any Lender or Issuing Lender under this Section 10.20 shall be conclusive, absent manifest error.

(b) Each Lender and Issuing Lender hereby agrees that if it receives a Payment from the Administrative Agent or any of its Affiliates (x) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such Payment (a "Payment Notice") or (y) that was not preceded or accompanied by a Payment Notice, it shall be on notice, in each such case, that an error has been made with respect to such Payment. Each Lender and Issuing Lender agrees that, in each such case, or if it otherwise becomes aware a Payment (or portion thereof) may have been sent in error, such Lender or Issuing Lender shall promptly notify the Administrative Agent of such occurrence and, upon demand from the Administrative Agent, it shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender or Issuing Lender to the date such amount is repaid to the Administrative Agent at the greater of the New York Fed Bank Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

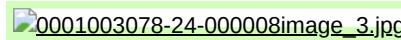
(c) The Borrower hereby agrees that in the event an erroneous Payment (or portion thereof) is not recovered from any Lender or Issuing Lender that has received such erroneous Payment (or portion thereof) for any reason, (x) the Administrative Agent shall be subrogated to all the rights of such Lender with respect to such amount and (y) an erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower, except, 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 of the Borrower.

(d) Each party's obligations under this Section 10.20 shall survive the resignation or replacement of the Administrative Agent or any transfer of rights or obligations by, or the replacement of, a Lender or Issuing Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations under any Loan Document.

[Signature Pages Intentionally Omitted] Follows

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IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officers on this 7th day of November, 2023.

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MSC INDUSTRIAL DIRECT CO., INC.

By:

Name: Neal Dongre

Title: Vice President, General Counsel & Corporate Secretary

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EXHIBIT 31.1

CERTIFICATION

I, Erik Gershwind, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MSC Industrial Direct Co., 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 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 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: June 29, 2023 January 9, 2024

/s/ ERIK GERSHWIND

Erik Gershwind

*President and Chief Executive Officer
(Principal Executive Officer)*

EXHIBIT 31.2

CERTIFICATION

I, Kristen Actis-Grande, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MSC Industrial Direct Co., 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 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 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: June 29, 2023 January 9, 2024

/s/ KRISTEN ACTIS-GRANDE

Kristen Actis-Grande

*Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)*

EXHIBIT 32.1

CERTIFICATION PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of MSC Industrial Direct Co., Inc. (the "Company") for the fiscal quarter ended June 3, 2023 December 2, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Erik Gershwind, Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (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 operations of the Company.

Date: June 29, 2023 January 9, 2024

By: /s/ ERIK GERSHWIND

Name: Erik Gershwind
*President and Chief Executive Officer
(Principal Executive Officer)*

A signed original of this written statement required by Section 906 has been provided to MSC Industrial Direct Co., Inc. and will be retained by it and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of MSC Industrial Direct Co., Inc. (the "Company") for the fiscal quarter ended June 3, 2023 December 2, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kristen Actis-Grande, Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (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 operations of the Company.

Date: June 29, 2023 January 9, 2024

By: /s/ KRISTEN ACTIS-GRANDE
Name: Kristen Actis-Grande
*Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)*

A signed original of this written statement required by Section 906 has been provided to MSC Industrial Direct Co., Inc. and will be retained by it and furnished to the Securities and Exchange Commission or its staff upon request.

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