

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

FORM 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the quarterly period ended March 31, 2020  
OR  
 **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-37552



**WILLSCOT CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation)

**82-3430194**  
(I.R.S. Employer Identification No.)

**901 S. Bond Street, #600**  
**Baltimore, Maryland 21231**  
(Address, including zip code, of principal executive offices)  
**(410) 931-6000**  
(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 \$0.0001 per share	WSC	The Nasdaq Capital Market

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 Regulations 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   
Non-accelerated filer

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 Act). Yes  No

Shares of Class A common stock, par value \$0.0001 per share, outstanding: 110,555,295 shares at May 1, 2020.

Shares of Class B common stock, par value \$0.0001 per share, outstanding: 8,024,419 shares at May 1, 2020.

**WILLSCOT CORPORATION**  
**Quarterly Report on Form 10-Q**  
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**PART I**

**ITEM 1. Financial Statements**

WillScot Corporation  
Condensed Consolidated Balance Sheets

<i>(in thousands, except share data)</i>	March 31, 2020 (unaudited)	December 31, 2019
<b>Assets</b>		
Cash and cash equivalents	\$ 4,642	\$ 3,045
Trade receivables, net of allowances for doubtful accounts at March 31, 2020 and December 31, 2019 of \$16,471 and \$15,828, respectively	241,142	247,596
Inventories	15,006	15,387
Prepaid expenses and other current assets	20,580	14,621
Assets held for sale	8,543	11,939
Total current assets	<u>289,913</u>	<u>292,588</u>
Rental equipment, net	1,912,995	1,944,436
Property, plant and equipment, net	143,864	147,689
Operating lease assets	148,152	146,698
Goodwill	232,796	235,177
Intangible assets, net	126,375	126,625
Other non-current assets	3,642	4,436
Total long-term assets	<u>2,567,824</u>	<u>2,605,061</u>
<b>Total assets</b>	<b>\$ 2,857,737</b>	<b>\$ 2,897,649</b>
<b>Liabilities and equity</b>		
Accounts payable	\$ 102,570	\$ 109,926
Accrued liabilities	82,853	82,355
Accrued interest	12,479	16,020
Deferred revenue and customer deposits	85,936	82,978
Operating lease liabilities - current	29,446	29,133
Total current liabilities	<u>313,284</u>	<u>320,412</u>
Long-term debt	1,625,772	1,632,589
Deferred tax liabilities	67,017	70,693
Deferred revenue and customer deposits	12,666	12,342
Operating lease liabilities - non-current	119,322	118,429
Other non-current liabilities	38,603	34,229
Long-term liabilities	<u>1,863,380</u>	<u>1,868,282</u>
<b>Total liabilities</b>	<b>2,176,664</b>	<b>2,188,694</b>
<b>Commitments and contingencies (see Note 15)</b>		
Class A common stock: \$0.0001 par, 400,000,000 shares authorized at March 31, 2020 and December 31, 2019; 110,555,295 and 108,818,854 shares issued and outstanding at March 31, 2020 and December 31, 2019, respectively	11	11
Class B common stock: \$0.0001 par, 100,000,000 shares authorized at March 31, 2020 and December 31, 2019; 8,024,419 shares issued and outstanding at March 31, 2020 and December 31, 2019	1	1
Additional paid-in-capital	2,402,195	2,396,501
Accumulated other comprehensive loss	(89,974)	(62,775)
Accumulated deficit	(1,692,917)	(1,689,373)
<b>Total shareholders' equity</b>	<b>619,316</b>	<b>644,365</b>
Non-controlling interest	61,757	64,590
<b>Total equity</b>	<b>681,073</b>	<b>708,955</b>
<b>Total liabilities and equity</b>	<b>\$ 2,857,737</b>	<b>\$ 2,897,649</b>

*See the accompanying notes which are an integral part of these condensed consolidated financial statements.*

WillScot Corporation  
Condensed Consolidated Statements of Operations  
(Unaudited)

<i>(in thousands, except share and per share data)</i>	Three Months Ended March 31,	
	2020	2019
<b>Revenues:</b>		
Leasing and services revenue:		
Modular leasing	\$ 188,352	\$ 177,292
Modular delivery and installation	51,070	50,000
Sales revenue:		
New units	9,613	14,841
Rental units	6,786	11,552
Total revenues	255,821	253,685
<b>Costs:</b>		
Costs of leasing and services:		
Modular leasing	49,809	47,235
Modular delivery and installation	43,865	43,343
Costs of sales:		
New units	6,203	10,878
Rental units	3,806	7,795
Depreciation of rental equipment	45,948	41,103
Gross Profit	106,190	103,331
<b>Expenses:</b>		
Selling, general and administrative	74,968	73,319
Other depreciation and amortization	3,074	2,784
Impairment losses on long-lived assets	—	2,290
Lease impairment expense and other related charges	1,661	3,085
Restructuring costs	(60)	1,656
Currency losses (gains), net	898	(316)
Other expense (income), net	276	(951)
Operating income	25,373	21,464
Interest expense	28,257	31,115
Loss from operations before income tax	(2,884)	(9,651)
Income tax expense	790	378
Net loss	(3,674)	(10,029)
Net loss attributable to non-controlling interest, net of tax	(130)	(758)
Net loss attributable to WillScot	\$ (3,544)	\$ (9,271)
Net loss per share attributable to WillScot - basic and diluted	\$ (0.03)	\$ (0.09)
Weighted average shares - basic and diluted	109,656,646	108,523,269

*See the accompanying notes which are an integral part of these condensed consolidated financial statements.*

WillScot Corporation  
Condensed Consolidated Statements of Comprehensive Loss  
(Unaudited)

<i>(in thousands)</i>	Three Months Ended March 31,	
	2020	2019
Net loss	\$ (3,674)	\$ (10,029)
Other comprehensive (loss) income:		
Foreign currency translation adjustment, net of income tax expense of \$0 for the three months ended March 31, 2020 and 2019	(21,144)	4,115
Net loss on derivatives, net of income tax benefit of \$0 and \$673 for the three months ended March 31, 2020 and 2019, respectively	(8,758)	(2,201)
Comprehensive loss	(33,576)	(8,115)
Comprehensive loss attributable to non-controlling interest	(2,833)	(592)
Total comprehensive loss attributable to WillScot	\$ (30,743)	\$ (7,523)

*See the accompanying notes which are an integral part of these condensed consolidated financial statements.*

**WillScot Corporation**  
**Condensed Consolidated Statements of Changes in Equity**  
**(Unaudited)**

<b>Three Months Ended March 31, 2020</b>											
<i>(in thousands)</i>	Class A Common Stock		Class B Common Stock		Additional Paid-in-Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Shareholders' Equity	Non- Controlling Interest	Total Equity	
	Shares	Amount	Shares	Amount							
Balance at December 31, 2019	108,819	\$ 11	8,024	\$ 1	\$ 2,396,501	\$ (62,775)	\$ (1,689,373)	\$ 644,365	\$ 64,590	\$ 708,955	
Net loss	—	—	—	—	—	—	(3,544)	(3,544)	(130)	(3,674)	
Other comprehensive loss	—	—	—	—	—	(27,199)	—	(27,199)	(2,703)	(29,902)	
Stock-based compensation	239	—	—	—	1,114	—	—	1,114	—	1,114	
Common stock issued in warrant exercises and redemptions	1,497	—	—	—	4,580	—	—	4,580	—	4,580	
Balance at March 31, 2020	110,555	\$ 11	8,024	\$ 1	\$ 2,402,195	\$ (89,974)	\$ (1,692,917)	\$ 619,316	\$ 61,757	\$ 681,073	

<b>Three Months Ended March 31, 2019</b>											
<i>(in thousands)</i>	Class A Common Stock		Class B Common Stock		Additional Paid-in-Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Shareholders' Equity	Non- Controlling Interest	Total Equity	
	Shares	Amount	Shares	Amount							
Balance at December 31, 2018	108,509	\$ 11	8,024	\$ 1	\$ 2,389,548	\$ (68,026)	\$ (1,683,319)	\$ 638,215	\$ 63,982	\$ 702,197	
Net loss	—	—	—	—	—	—	(9,271)	(9,271)	(758)	(10,029)	
Other comprehensive income	—	—	—	—	—	1,748	—	1,748	166	1,914	
Adoption of ASC 842	—	—	—	—	—	—	4,723	4,723	503	5,226	
Adoption of ASC 606	—	—	—	—	—	—	345	345	—	345	
Stock-based compensation	184	—	—	—	636	—	—	636	—	636	
Balance at March 31, 2019	108,693	\$ 11	8,024	\$ 1	\$ 2,390,184	\$ (66,278)	\$ (1,687,522)	\$ 636,396	\$ 63,893	\$ 700,289	

*See the accompanying notes which are an integral part of these condensed consolidated financial statements.*

WillScot Corporation  
Condensed Consolidated Statements of Cash Flows (Unaudited)

(in thousands)	Three Months Ended March 31,	
	2020	2019
Operating activities:		
Net loss	\$ (3,674)	\$ (10,029)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	49,764	44,346
Provision for doubtful accounts	3,392	2,926
Impairment losses on long-lived assets	—	2,290
Impairment on right of use assets	—	2,439
Gain on sale of rental equipment and other property, plant and equipment	(2,980)	(3,888)
Amortization of debt discounts and debt issuance costs	2,896	2,792
Stock-based compensation expense	1,787	1,290
Deferred income tax benefit	684	378
Unrealized currency (gains) losses	891	(292)
Changes in operating assets and liabilities		
Trade receivables	636	(26,779)
Inventories	281	(1,185)
Prepaid and other assets	(5,701)	(171)
Operating lease assets and liabilities	(280)	851
Accrued interest	(3,540)	(5,568)
Accounts payable and other accrued liabilities	(9,760)	1,650
Deferred revenue and customer deposits	3,952	4,206
Net cash provided by operating activities	38,348	15,256
Investing activities:		
Proceeds from sale of rental equipment	6,786	11,601
Purchase of rental equipment and refurbishments	(39,648)	(51,873)
Proceeds from the sale of property, plant and equipment	3,840	87
Purchase of property, plant and equipment	(1,518)	(1,629)
Net cash used in investing activities	(30,540)	(41,814)
Financing activities:		
Receipts from issuance of common stock	4,580	—
Receipts from borrowings	35,793	39,264
Payment of financing costs	—	(83)
Repayment of borrowings	(45,282)	(8,201)
Principal payments on capital lease obligations	—	(32)
Withholding taxes paid on behalf of employees on net settled stock-based awards	(673)	(654)
Net cash (used in) provided by financing activities	(5,582)	30,294
Effect of exchange rate changes on cash and cash equivalents	(629)	85
Net change in cash and cash equivalents	1,597	3,821
Cash and cash equivalents at the beginning of the period	3,045	8,958
Cash and cash equivalents at the end of the period	\$ 4,642	\$ 12,779
Supplemental cash flow information:		
Interest paid	\$ 27,384	\$ 33,468
Income taxes paid (refunded), net	\$ 4	\$ (748)
Capital expenditures accrued or payable	\$ 22,345	\$ 23,147

See the accompanying notes which are an integral part of these condensed consolidated financial statements.

**WillScot Corporation**  
**Notes to the Condensed Consolidated Financial Statements (Unaudited)**

**NOTE 1 - Summary of Significant Accounting Policies**

**Organization and Nature of Operations**

WillScot Corporation ("WillScot" and, together with its subsidiaries, the "Company") is a leading provider of modular space and portable storage solutions in the United States ("US"), Canada and Mexico. The Company leases, sells, delivers and installs mobile offices, modular buildings and storage products through an integrated network of branch locations that spans North America.

WillScot was incorporated as a Cayman Islands exempt company under the name Double Eagle Acquisition Corporation ("Double Eagle") on June 26, 2015. Prior to November 29, 2017, Double Eagle was a Nasdaq-listed special purpose acquisition company formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination. On November 29, 2017, Double Eagle indirectly acquired Williams Scotsman International, Inc. ("WSII") from Algeco Scotsman Global S.à r.l. (together with its subsidiaries, the "Algeco Group"), which was majority owned by an investment fund managed by TDR Capital LLP ("TDR Capital"). As part of the transaction, Double Eagle domesticated to Delaware and changed its name to WillScot Corporation.

WillScot, whose Class A common shares are listed on the Nasdaq Capital Market (Nasdaq: WSC), serves as the holding company for the Williams Scotsman family of companies. All of the Company's assets and operations are owned through Williams Scotsman Holdings Corp. ("WS Holdings"). WillScot operates and owns 91.0% of WS Holdings, and Sapphire Holding S.à r.l. ("Sapphire"), an affiliate of TDR Capital, owns the remaining 9.0%.

**Basis of Presentation and Principles of Consolidation**

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Quarterly Report on Form 10-Q and do not include all the information and notes required by accounting principles generally accepted in the US ("GAAP") for complete financial statements. The accompanying unaudited condensed consolidated financial statements comprise the financial statements of WillScot and its subsidiaries that it controls due to ownership of a majority voting interest and contain all adjustments, which are of a normal and recurring nature, necessary to present fairly the financial position, the results of operations and cash flows for the interim periods presented.

On December 31, 2019, the 2019 financial statement amounts were adjusted for the adoption Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)* ("ASC 842"), effective retroactively to January 1, 2019, and therefore may not agree to the Quarterly Reports filed on Form 10-Q for the respective periods of 2019.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company. All intercompany balances and transactions are eliminated.

The results of operations for the three months ended March 31, 2020 are not necessarily indicative of the results to be expected for the full year. For further information, refer to the consolidated financial statements and notes included in WillScot's Annual Report on Form 10-K for the year ended December 31, 2019.

**Recently Issued and Adopted Accounting Standards**

**Recently Issued Accounting Standards**

In March 2020, the Financial Accounting Standards Board ("FASB") issued ASU 2020-04, *Reference Rate Reform (Topic 848)*, which is elective, and provides for optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The Company is currently evaluating the impact of reference rate reform and potential impact of adoption of these elective practical expedients on its condensed consolidated financial statements and will consider the impact of adoption during its analysis.

**Recently Adopted Accounting Standards**

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326)* ("ASC 326"), which prescribes that financial assets (or a group of financial assets) should be measured at amortized cost basis to be presented at the net amount expected to be collected based on relevant historical information from historical experience, adjusted for current conditions and reasonable and supportable forecasts that affect collectibility. Credit losses relating to these financial assets are recorded through an allowance for credit losses. The Company adopted ASC 326 effective January 1, 2020. The effect of this guidance was immaterial to the Company's consolidated results of operations, financial position and cash flows.

**Impact of COVID-19**

In December 2019, a novel strain of coronavirus, COVID-19, was first detected in Wuhan, China, and it has since spread to other regions, including the United States. On March 11, 2020, the World Health Organization declared that the rapidly spreading COVID-19 outbreak was a global pandemic. In response to the pandemic, many governments around the world are implementing a variety of measures to reduce the spread of COVID-19, including travel restrictions and bans, instructions to residents to practice social distancing, quarantine advisories, shelter-in-place orders and required closures of non-essential businesses.

There have been significant changes to the global economic situation and to public securities markets as a consequence of the COVID-19 pandemic. It is reasonably likely that this could cause changes to estimates as a result of the markets in which the Company operates, the price of the Company's publicly traded equity and debt in comparison to the Company's carrying value, and the health of the global economy. Such changes to estimates could potentially result in impacts that would be material to the consolidated financial statements, particularly with respect to the fair value of the Company's reporting units in relation to potential goodwill impairment, the fair value of long-lived assets in relation to potential impairment and the allowance for doubtful accounts.

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The CARES Act provides several employer and corporate incentives designed to assist businesses with liquidity and support employee retention. The Company continues to assess the implications of the CARES Act to its business and believes that relevant components of the CARES Act are not material to its financial statements as a whole.

## NOTE 2 - Acquisitions and Assets Held for Sale

### Pending Mobile Mini Merger

On March 1, 2020, the Company, along with its newly formed subsidiary, Picasso Merger Sub, Inc. ("Merger Sub"), entered into an Agreement and Plan of Merger (the "Merger Agreement") with Mobile Mini, Inc. ("Mobile Mini"). The Merger Agreement provides for the merger of Mobile Mini with and into Merger Sub (the "Merger"), with Mobile Mini surviving as a wholly-owned subsidiary of the Company. At the effective time of the Merger, and subject to the terms and conditions set forth in the Merger Agreement, each outstanding share of the common stock of Mobile Mini shall be converted into the right to receive 2.4050 shares of WillScot Class A common stock.

The Merger has been approved by the boards of directors of the Company and Mobile Mini. The Merger is subject to customary closing conditions, including receipt of regulatory approval and approval by the stockholders of the Company and Mobile Mini and is expected to close in the third quarter of 2020. Additionally, the transaction has the support of TDR Capital, the Company's largest stockholder, which has entered into a voting agreement in support of the Merger.

In connection with the Merger, the Company entered into a commitment letter (the "Commitment Letter"), dated March 1, 2020, as amended and restated on March 24, 2020, and further amended and restated on May 5, 2020, with the lenders party thereto (the "Lenders"). Pursuant to the Commitment Letter, the Lenders have agreed to provide debt financing to refinance the Company's existing ABL Facility (as defined in Note 9), Mobile Mini's existing ABL credit facility and Mobile Mini's outstanding senior notes due 2024 on the terms and conditions set forth in the Commitment Letter.

The Company expensed \$9.4 million in transaction costs related to the Merger within selling, general and administrative ("SG&A") for the three months ended March 31, 2020.

### Assets Held for Sale

As part of the Modular Space Holdings, Inc. ("ModSpace") acquisition in 2018, the Company implemented a plan to right size its branch network and dispose of unused properties.

As of March 31, 2020, the Company had five properties totaling \$8.5 million included in assets held for sale. During the three months ended March 31, 2020, the Company recorded no impairment related to these assets. As of March 31, 2019, the Company had ten properties totaling \$21.0 million included in assets held for sale. During the three months ended March 31, 2019, the Company recorded an impairment of \$2.3 million related to assets held for sale.

The fair value of the assets held for sale was determined using valuations from third party brokers, which were based on current sales prices for comparable assets, a Level 2 measurement.

## NOTE 3 - Revenue

### Revenue Disaggregation

#### Geographic Areas

The Company had total revenue in the following geographic areas for the three months ended March 31 as follows:

(in thousands)	Three Months Ended March 31,	
	2020	2019
US	\$ 235,328	\$ 231,467
Canada	16,706	18,194
Mexico	3,787	4,024
Total revenues	<u>\$ 255,821</u>	<u>\$ 253,685</u>

## Major Product and Service Lines

The Company's revenue by major product and service line for the three months ended March 31 was as follows:

(in thousands)	Three Months Ended March 31,	
	2020 Total	2019 Total
Modular space leasing revenue	\$ 131,398	\$ 123,550
Portable storage leasing revenue	5,849	6,240
VAPS <sup>(a)</sup>	41,002	37,392
Other leasing-related revenue <sup>(b)</sup>	10,103	10,110
Modular leasing revenue	188,352	177,292
Modular delivery and installation revenue	51,070	50,000
Total leasing and services revenue	239,422	227,292
New unit sales revenue	9,613	14,841
Rental unit sales revenue	6,786	11,552
Total revenues	\$ 255,821	\$ 253,685

(a) Includes \$4.0 million and \$3.8 million of value added products and services ("VAPS") service revenue for the three months ended March 31, 2020 and 2019, respectively.

(b) Primarily damage billings, delinquent payment charges, and other processing fees.

## Modular Leasing and Services Revenue

The majority of revenue (72% for the three months ended March 31, 2020 and 68% for the three months ended March 31, 2019) is generated by rental income subject to the guidance of ASC 842. The remaining revenue for the three months ended March 31, 2020 and 2019 is generated by performance obligations in contracts with customers for services or sale of units subject to the guidance in ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASC 606").

## Receivables, Contract Assets and Liabilities

As reflected above, approximately 72% of the Company's rental revenue is generated by lease revenue subject to the guidance of ASC 842. The customers that are responsible for the remaining revenue that is accounted for under ASC 606 are generally the same customers that rent the Company's equipment. We manage credit risk associated with our accounts receivables at the customer level. Because the same customers generate the revenues that are accounted for under both Topic 606 and Topic 840, the discussions below on credit risk and our allowance for doubtful accounts address our total revenues. The Company's top five customers with the largest open receivables balances represented 4.7% of the total receivables balance as of March 31, 2020.

As of December 31, 2019, the Company had approximately \$42.6 million of deferred revenue that relates to removal services for lease transactions and advance billings for sale transactions, which are within the scope of ASC 606. As of March 31, 2020, the Company had approximately \$44.6 million of deferred revenue relating to these services which are included in deferred revenue and customer deposits in the condensed consolidated balance sheets. During the three months ended March 31, 2020, \$7.9 million of previously deferred revenue relating to removal services for lease transactions and advance billings for sale transactions was recognized as revenue.

The Company does not have material contract assets and it did not recognize any material impairments of any contract assets.

The Company's uncompleted contracts with customers have unsatisfied (or partially satisfied) performance obligations. For the future services revenues that are expected to be recognized within twelve months, the Company has elected to utilize the optional disclosure exemption made available regarding transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations. The transaction price for performance obligations that will be completed in greater than twelve months is variable based on the costs ultimately incurred to provide those services and therefore the Company is applying the optional exemption to omit disclosure of such amounts.

The primary costs to obtain contracts for new and rental unit sales with the Company's customers are commissions. The Company pays its sales force commissions on the sale of new and rental units. For new and rental unit sales, the period benefited by each commission is less than one year. As a result, the Company has applied the practical expedient for incremental costs of obtaining a sales contract and will expense commissions as incurred.

## Credit Losses

The Company is exposed to credit losses from trade receivables generated through its leasing and sales business. The Company assesses each customer's ability to pay for the products it sells by conducting a credit review. The credit review considers expected billing exposure and timing for payment and the customer's established credit rating. The Company

performs its credit review of new customers at inception and for existing customers when they transact new leases after a period of dormancy. The Company also considers contract terms and conditions, country risk and business strategy in the evaluation.

The Company monitors ongoing credit exposure through an active review of customer balances against contract terms and due dates. The Company's activities include timely account reconciliations, dispute resolution and payment confirmations. The Company may employ collection agencies and legal counsel to pursue recovery of defaulted receivables. The Company uses a loss-rate method to assess for credit losses.

<i>(in thousands)</i>	Three Months Ended March 31, 2020	Year Ended December 31, 2019
Balance at beginning of year	\$ 15,828	\$ 9,340
Net charges to bad debt expense and revenue	3,392	14,496
Write-offs	(2,744)	(7,945)
Foreign currency translation and other	(5)	(63)
Balance at end of period	<u>\$ 16,471</u>	<u>\$ 15,828</u>

## NOTE 4 - Leases

As of March 31, 2020, the undiscounted future lease payments for operating lease liabilities were as follows:

	<i>(in thousands)</i>
2020	\$ 28,505
2021	35,174
2022	29,103
2023	23,264
2024	18,202
Thereafter	51,725
Total lease payments	<u>185,973</u>
Less: interest	(37,429)
Present value of lease liabilities	<u>\$ 148,544</u>

The Company's lease activity during the three months ended March 31, 2020 and 2019 was as follows:

<i>Financial Statement Line (in thousands)</i>	Three Months Ended March 31,	
	2020	2019
Operating Lease Expense		
Fixed lease expense		
Cost of leasing and services	\$ 1,602	\$ 1,818
Selling, general and administrative	7,885	8,426
Lease impairment expense and other related charges	684	317
Short-term lease expense		
Cost of leasing and services	7,300	7,688
Selling, general and administrative	386	813
Lease impairment expense and other related charges	212	—
Variable lease expense		
Cost of leasing and services	1,832	642
Selling, general and administrative	867	1,086
Lease impairment expense and other related charges	287	—
Total operating lease expense	<u>\$ 21,055</u>	<u>\$ 20,790</u>

The Company initiated certain restructuring plans associated with the ModSpace acquisition in order to capture operating synergies as a result of integrating ModSpace into WillScot. The restructuring activities primarily include the termination of leases for duplicative branches, equipment and corporate facilities. As part of these plans, certain of its leased locations were vacated and leases were terminated or impaired. During the three months ended March 31, 2020, the Company recorded \$1.7 million in lease impairment expense and other related charges which are comprised of \$0.5 million

loss on lease exit and \$1.2 million in closed location rent expense. During the three months ended March 31, 2019, the Company recorded \$3.1 million in lease impairment expense and other related charges which are comprised of \$2.4 million in right-of-use ("ROU") asset impairment on leased locations no longer used in operations, \$0.4 million loss on lease exit and \$0.3 million in closed location rent expense.

Supplemental cash flow information related to operating leases for the three months ended March 31, 2020 was as follows:

Supplemental Cash Flow Information (in thousands)	Three Months Ended March 31,	
	2020	2019
Cash paid for the amounts included in the measurement of lease liabilities	\$ 10,108	\$ 9,826
Right of use assets obtained in exchange for lease obligations	\$ 13,270	\$ 8,934

Weighted-average remaining operating lease terms and the weighted average discount rates as of March 31, 2020 and December 31, 2019 were as follows:

Lease Terms and Discount Rates	March 31, 2020	December 31, 2019
Weighted-average remaining lease term	6.55 years	6.51 years
Weighted-average discount rate	6.8 %	7.0 %

The Company presents information related to leasing revenues in Note 3.

## NOTE 5 - Inventories

Inventories were comprised of raw materials and consumables of \$15.0 million and \$15.4 million at March 31, 2020 and December 31, 2019, respectively.

## NOTE 6 - Rental Equipment, net

Rental equipment, net, at the respective balance sheet dates consisted of the following:

(in thousands)	March 31, 2020	December 31, 2019
Modular units and portable storage	\$ 2,446,510	\$ 2,455,471
Value added products	125,384	121,855
Total rental equipment	2,571,894	2,577,326
Less: accumulated depreciation	(658,899)	(632,890)
Rental equipment, net	\$ 1,912,995	\$ 1,944,436

## NOTE 7 - Goodwill

Changes in the carrying amount of goodwill were as follows:

(in thousands)	Modular – US	Modular – Other North America	Total
Balance at December 31, 2018	\$ 213,264	\$ 33,753	\$ 247,017
Changes to preliminary purchase price accounting	(9,331)	(4,148)	(13,479)
Effects of movements in foreign exchange rates	—	1,639	1,639
Balance at December 31, 2019	203,933	31,244	235,177
Effects of movements in foreign exchange rates	—	(2,381)	(2,381)
Balance at March 31, 2020	\$ 203,933	\$ 28,863	\$ 232,796

The Company had no goodwill impairment during the three months ended March 31, 2020 or the year ended December 31, 2019.

The Company considered the economic environment resulting from the COVID-19 pandemic as part of its review for indicators of potential impairment and reviewed qualitative information currently available in determining if it was more likely than not that the fair values of the Company's reporting units were less than the carrying amounts as of March 31, 2020. Based on the Company's current long-term projections and the extent of fair value in excess of carrying value at the Company's October 1, 2019 annual impairment test date, management concluded that it is not more likely than not that the fair value of the Company's reporting units were less than their carrying amount during the three months ended March 31, 2020 and therefore no impairment occurred.

Due to the uncertain and rapidly evolving nature of the conditions surrounding the COVID-19 pandemic, changes in economic outlook may change our long-term projections.

## NOTE 8 - Intangibles

Intangible assets other than goodwill at the respective balance sheet dates consisted of the following:

(in thousands)	Remaining life (in years)	March 31, 2020		
		Gross carrying amount	Accumulated amortization	Net book value
Intangible assets subject to amortization:				
ModSpace trade name	1.4	\$ 3,000	\$ (1,625)	\$ 1,375
Indefinite-lived intangible assets:				
Trade name		125,000	—	125,000
Total intangible assets other than goodwill		<u>\$ 128,000</u>	<u>\$ (1,625)</u>	<u>\$ 126,375</u>

(in thousands)	Remaining life (in years)	December 31, 2019		
		Gross carrying amount	Accumulated amortization	Net book value
Intangible assets subject to amortization:				
ModSpace trade name	1.7	\$ 3,000	\$ (1,375)	\$ 1,625
Indefinite-lived intangible assets:				
Trade names		125,000	—	125,000
Total intangible assets other than goodwill		<u>\$ 128,000</u>	<u>\$ (1,375)</u>	<u>\$ 126,625</u>

In the ModSpace acquisition, the Company allocated \$3.0 million to definite-lived intangible assets related to the ModSpace trade name. The ModSpace trade name has an estimated useful life of three years. These intangibles are non-deductible for income tax purposes.

For both the three months ended March 31, 2020 and 2019, the aggregate amount recorded to other depreciation and amortization expense for the ModSpace trade name was \$0.3 million.

## NOTE 9 - Debt

The carrying value of debt outstanding at the respective balance sheet dates consisted of the following:

(in thousands, except rates)	Interest rate	Year of maturity	March 31, 2020	December 31, 2019
2022 Secured Notes	7.875%	2022	\$ 264,982	\$ 264,576
2023 Secured Notes	6.875%	2023	483,201	482,768
US ABL Facility	Varies	2022	877,589	885,245
Canadian ABL Facility (a)	Varies	2022	—	—
Total long-term debt			<u>\$ 1,625,772</u>	<u>\$ 1,632,589</u>

(a) As of March 31, 2020 and December 31, 2019, the Company had no outstanding principal borrowings on the Canadian ABL Facility and \$1.8 million and \$2.1 million of related debt issuance costs, respectively. As there were no principal borrowings outstanding on the Canadian ABL Facility, the \$1.8 million and \$2.1 million of debt issuance costs related to that facility are included in other non-current assets on the condensed consolidated balance sheet as of March 31, 2020 and December 31, 2019, respectively.

The Company is subject to various covenants and restrictions for the ABL Facility, the 2022 Secured Notes and the 2023 Secured Notes. The Company was in compliance with all covenants related to debt as of March 31, 2020 and December 31, 2019.

### ABL Facility

On November 29, 2017, WS Holdings, WSII and certain of its subsidiaries entered into an ABL credit agreement (the "ABL Facility"), as amended in July and August 2018, that provides a senior secured revolving credit facility that matures on May 29, 2022.

The ABL Facility consists of (i) a \$1.285 billion asset-backed revolving credit facility (the "US ABL Facility") for WSII and certain of its domestic subsidiaries (the "US Borrowers"), (ii) a \$140.0 million asset-based revolving credit facility (the "Canadian ABL Facility") for certain Canadian subsidiaries of WSII (the "Canadian Borrowers," and together with the US Borrowers, the "Borrowers"), and (iii) an accordion feature that permits the Borrowers to increase the lenders' commitments in an aggregate amount not to exceed \$375.0 million, subject to the satisfaction of customary conditions and lender approval, plus any voluntary prepayments that are accompanied by permanent commitment reductions under the ABL Facility.

Borrowing availability under the ABL Facility is equal to the lesser of \$1.425 billion and the applicable borrowing bases (the "Line Cap"). The borrowing bases are a function of, among other things, the value of the assets in the relevant collateral pool. At March 31, 2020, the Line Cap is \$1.412 billion.

The obligations of the US Borrowers are unconditionally guaranteed by WS Holdings and each existing and subsequently acquired or organized direct or indirect wholly-owned US organized restricted subsidiary of WS Holdings, other than excluded subsidiaries (together with WS Holdings, the "US Guarantors"). The obligations of the Canadian Borrowers are unconditionally guaranteed by the US Borrowers and the US Guarantors, and each existing and subsequently acquired or organized direct or indirect wholly-owned Canadian organized restricted subsidiary of WS Holdings other than certain excluded subsidiaries (together with the US Guarantors, the "ABL Guarantors").

At March 31, 2020, the weighted average interest rate for borrowings under the ABL Facility was 3.30%. The weighted average interest rate on the balance outstanding, as adjusted for the effects of the interest rate swap agreements was 4.35%. Refer to Note 14 for a more detailed discussion on interest rate management.

At March 31, 2020, the Borrowers had \$505.8 million of available borrowing capacity under the ABL Facility, including \$378.8 million under the US ABL Facility and \$127.0 million under the Canadian ABL Facility. At December 31, 2019, the Borrowers had \$509.1 million of available borrowing capacity under the ABL Facility, including \$369.3 million under the US ABL Facility and \$139.8 million under the Canadian ABL Facility.

The Company had issued \$12.7 million of standby letters of credit under the ABL Facility at March 31, 2020 and December 31, 2019. At March 31, 2020, letters of credit and guarantees carried fees of 2.625%.

The Company had \$893.5 million and \$903.0 million in outstanding principal under the ABL Facility at March 31, 2020 and December 31, 2019, respectively.

Debt issuance costs and discounts of \$15.9 million and \$17.8 million are included in the carrying value of the ABL Facility at March 31, 2020 and December 31, 2019, respectively.

### **2022 Senior Secured Notes**

WSII has \$270.0 million aggregate principal amount of 7.875% senior secured notes due December 15, 2022 (the "2022 Secured Notes") under an indenture dated November 29, 2017, entered into by and among WSII, the guarantors named therein, and Deutsche Bank Trust Company Americas, as trustee and as collateral agent. Interest is payable semi-annually on June 15 and December 15, beginning June 15, 2018.

On December 13, 2019, the Company completed a partial redemption of \$30.0 million of the then outstanding \$300.0 million of 2022 Secured Notes at a redemption price of 103% using proceeds from its ABL Facility. The Company recorded a loss on extinguishment of debt of \$1.5 million, which included \$0.9 million of an early redemption premium and \$0.6 million related to the write-off of unamortized deferred financing fees.

Unamortized debt issuance costs pertaining to the 2022 Secured Notes were \$5.0 million and \$5.4 million as of March 31, 2020 and December 31, 2019, respectively.

### **2023 Senior Secured Notes**

On August 6, 2018, a special purpose subsidiary of WSII (the "Issuer") completed a private offering of \$300.0 million in aggregate principal amount of its 6.875% senior secured notes due August 15, 2023 (the "Initial 2023 Secured Notes"). The Issuer entered into an indenture dated August 6, 2018 with Deutsche Bank Trust Company Americas, as trustee, which governs the terms of the Initial 2023 Secured Notes. In connection with the ModSpace acquisition, the Issuer merged with and into WSII and WSII assumed the Initial 2023 Secured Notes. Interest is payable semi-annually on February 15 and August 15 of each year, beginning February 15, 2019.

On May 14, 2019, WSII completed a tack-on offering of \$190.0 million in aggregate principal amount to the Initial 2023 Secured Notes (the "Tack-on Notes"). The Tack-on Notes were issued as additional securities under an indenture, dated August 6, 2018, by and among the Issuer, the guarantors named therein and Deutsche Bank Trust Company Americas, as trustee and collateral agent. The Tack-On Notes and the Initial 2023 Secured Notes are treated as a single class of debt securities under the indenture (the "2023 Secured Notes") and together with the 2022 Secured Notes, the "Senior Secured Notes"). The Tack-On Notes have identical terms to the Initial 2023 Secured Notes, other than with respect to the issue date and issue price. WSII incurred a total of \$3.0 million in debt issuance costs in connection with the tack-on offering, which were deferred and will be amortized through the August 15, 2023 maturity date. The Tack-on Notes were issued at a premium of \$0.5 million which will be amortized through the August 15, 2023 maturity date. The proceeds of the Tack-On Notes were used to repay a portion of the US ABL Facility.

Unamortized debt issuance costs and discounts, net of premium, pertaining to the 2023 Secured Notes were \$6.8 million and \$7.2 million as of March 31, 2020 and December 31, 2019, respectively.

## 2023 Senior Unsecured Notes

On August 3, 2018, a special purpose subsidiary of WSII completed a private offering of \$200.0 million in aggregate principal amount of its senior unsecured notes due November 15, 2023 (the "Unsecured Notes"). On June 19, 2019 (the "Redemption Date"), WSII used proceeds from its US ABL Facility to redeem all \$200.0 million in aggregate outstanding principal amount of the Unsecured Notes at a redemption price of 102.0%, plus a make-whole premium of 1.126% and any accrued and unpaid interest to, but not including, the Redemption Date. The Company recorded a loss on extinguishment of \$7.2 million during the second quarter of 2019, which included \$6.2 million of make-whole premiums and \$1.0 million related to the write-off of unamortized deferred financing fees.

Prior to the redemption, the Unsecured Notes bore interest at a rate of 10% per annum. Interest was payable semi-annually on February 15 and August 15 of each year, beginning February 15, 2019.

## NOTE 10 – Equity

### Common Stock and Warrants

#### Common Stock

In connection with the stock compensation vesting event described in Note 13 and the warrant exercises described below, the Company issued 1,736,441 shares of common stock during the three months ended March 31, 2020.

#### Warrants

Double Eagle issued warrants to purchase its common stock as components of units sold in its initial public offering (the "Public Warrants"). Double Eagle also issued warrants to purchase its common stock in a private placement concurrently with its initial public offering (the "Private Warrants," and together with the Public Warrants, the "2015 Warrants").

On January 24, 2020, the Company delivered a notice (the "Redemption Notice") to redeem all of its outstanding Public Warrants to purchase the Company's Class A common stock, which were issued under the warrant agreement, dated September 10, 2015, by and between Double Eagle and Continental Stock Transfer & Trust Company, as warrant agent (the "Warrant Agreement"), as part of the units sold in Double Eagle's initial public offering that remained unexercised on February 24, 2020. As further described in the Redemption Notice and permitted under the Warrant Agreement, holders of the Public Warrants who exercised such Public Warrants following the date of the Redemption Notice were required to do so on a cashless basis.

From January 1, 2020 through January 24, 2020, 796,610 Public Warrants were exercised for cash, resulting in the Company receiving cash proceeds of \$4.6 million in the aggregate. An aggregate of 398,305 shares of the Company's Class A common stock were issued in connection with these exercises.

After January 24, 2020 through February 24, 2020, 5,836,048 Public Warrants were exercised on a cashless basis. An aggregate of 1,097,162 shares of the Company's Class A common stock were issued in connection with these exercises. Thereafter, the Company completed the redemption of 38,509 remaining Public Warrants for \$0.01 per warrant.

As part of the ModSpace acquisition purchase price, the Company issued warrants to purchase shares of WillScot's Class A common stock at an exercise price of \$15.50 per share (the "2018 Warrants").

At March 31, 2020, 9,966,070 of the 2018 Warrants and 17,561,700 of the Private Warrants were outstanding.

### Accumulated Other Comprehensive Loss

The changes in accumulated other comprehensive loss ("AOCL"), net of tax, for the three months ended March 31, 2020 and 2019 were as follows:

<i>(in thousands)</i>	Foreign Currency Translation	Unrealized losses on hedging activities	Total
Balance at December 31, 2019	\$ (52,982)	\$ (9,793)	\$ (62,775)
Total other comprehensive loss prior to reclassifications	(21,144)	(10,330)	(31,474)
Reclassifications to the statements of operations	—	1,572	1,572
Less other comprehensive loss attributable to non-controlling interest	1,913	790	2,703
Balance at March 31, 2020	\$ (72,213)	\$ (17,761)	\$ (89,974)

<i>(in thousands)</i>	Foreign Currency Translation	Unrealized losses on hedging activities	Total
Balance at December 31, 2018	\$ (62,608)	\$ (5,418)	\$ (68,026)
Total other comprehensive income (loss) prior to reclassifications	4,115	(2,636)	1,479
Reclassifications to statements of operations	—	435	435
Less other comprehensive (loss) income attributable to non-controlling interest	(364)	198	(166)
Balance at March 31, 2019	<u>\$ (58,857)</u>	<u>\$ (7,421)</u>	<u>\$ (66,278)</u>

For the three months ended March 31, 2020 and 2019, \$1.6 million and \$0.6 million, respectively, was reclassified from AOCL into the condensed consolidated statement of operations within interest expense related to the interest rate swaps discussed in Note 14. For the three months ended March 31, 2020 and 2019, the Company recorded a tax benefit of \$0.0 million and \$0.1 million, respectively, associated with this reclassification.

## NOTE 11 – Income Taxes

The Company recorded \$0.8 million and \$0.4 million of income tax expense for the three months ended March 31, 2020 and 2019, mainly related to accrued interest on uncertain tax positions and legislative changes in the first quarter of 2020, and accrued interest on uncertain tax positions in 2019, discrete to the quarter, respectively. The Company's effective tax rate for the three months ended March 31, 2020 and 2019 was (27.4)%, and (3.9)%, respectively. The Company did not recognize a tax benefit for loss from operations as of March 31, 2020, as it is not likely that the benefit is realizable. A tax benefit will be recognized only when there is sufficient income to support realization of a benefit.

## NOTE 12 - Fair Value Measures

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company utilizes the suggested accounting guidance for the three levels of inputs that may be used to measure fair value:

- Level 1 - Observable inputs such as quoted prices in active markets for identical assets or liabilities;
- Level 2 - Observable inputs, other than Level 1 inputs in active markets, that are observable either directly or indirectly; and
- Level 3 - Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions

The Company has assessed that the fair value of cash and cash equivalents, trade receivables, trade payables, capital lease and other financing obligations, and other current liabilities approximate their carrying amounts.

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy:

<i>(in thousands)</i>	March 31, 2020				December 31, 2019			
	Carrying Amount	Fair Value			Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
US ABL Facility	\$ 877,589	\$ —	\$ 893,500	\$ —	\$ 885,245	\$ —	\$ 903,000	\$ —
Canadian ABL Facility	—	—	—	—	—	—	—	—
2022 Secured Notes	264,982	—	262,429	—	264,576	—	282,250	—
2023 Secured Notes	483,201	—	473,498	—	482,768	—	517,334	—
Total	<u>\$ 1,625,772</u>	<u>\$ —</u>	<u>\$ 1,629,427</u>	<u>\$ —</u>	<u>\$ 1,632,589</u>	<u>\$ —</u>	<u>\$ 1,702,584</u>	<u>\$ —</u>

The carrying value of the US ABL Facility, the 2022 Secured Notes and the 2023 Secured Notes includes \$15.9 million, \$5.0 million and \$6.8 million, respectively, of unamortized debt issuance costs as of March 31, 2020, which are presented as a direct reduction of the corresponding liability. The carrying value of the US ABL Facility, the 2022 Secured Notes and the 2023 Secured Notes includes \$17.8 million, \$5.4 million and \$7.2 million, respectively, of unamortized debt issuance costs for the year ended December 31, 2019, which are presented as a direct reduction of the corresponding liability.

The carrying value of the US and Canadian ABL Facility, excluding debt issuance costs, approximates fair value as the interest rates are variable and reflective of market rates. The fair value of the 2022 Secured Notes and the 2023 Secured Notes is based on their last trading price at the end of each period obtained from a third party. The location and the fair value of derivative assets and liabilities designated as hedges in the condensed consolidated balance sheet are disclosed in Note 14.

## NOTE 13 - Stock-Based Compensation

During the three months ended March 31, 2020, 174,020 time-based restricted stock units ("Time-Based RSUs") and 202,923 market-based restricted stock units ("Market-Based RSUs", and together with the Time-Based RSUs, the "RSUs") were granted under the WillScot Corporation 2017 Incentive Award Plan (the "Plan").

During the three months ended March 31, 2020, 323,678 Time-Based RSUs and 133,547 stock options vested in accordance with their terms, resulting in the issuance of 238,927 shares of common stock to participants, net of 84,751 shares withheld to cover taxes. During the three months ended March 31, 2020, 15,106 Time-Based RSUs and 12,700 Market-Based RSUs were forfeited.

At March 31, 2020, 52,755 RSAs, 900,541 Time-Based RSUs, 478,504 Market-Based RSUs, and 253,328 stock options were unvested, with weighted average grant date fair values of \$14.69, \$13.49, \$14.71, and \$5.51, respectively.

### RSAs

Compensation expense for restricted stock awards ("RSAs") recognized in SG&A on the condensed consolidated statements of operations was \$0.2 million and \$0.3 million for the three months ended March 31, 2020 and 2019, respectively, with associated tax benefits of \$0.0 million and \$0.1 million. At March 31, 2020, there was \$0.2 million of unrecognized compensation cost related to RSAs that is expected to be recognized over the remaining weighted average vesting period of 0.2 years.

### Time-Based RSUs

Compensation expense for Time-Based RSUs recognized in SG&A on the condensed consolidated statements of operations was \$1.0 million and \$0.8 million for the three months ended March 31, 2020 and 2019, respectively, with associated tax benefits of \$0.0 million and \$0.2 million. At March 31, 2020, unrecognized compensation cost related to Time-Based RSUs totaled \$12.0 million and is expected to be recognized over the remaining weighted average vesting period of 2.7 years.

### Market-Based RSUs

Compensation expense for Market-Based RSUs recognized in SG&A on the condensed consolidated statements of operations was \$0.4 million and \$0.1 million for the three months ended March 31, 2020 and 2019, respectively, with no associated tax benefits. At March 31, 2020, unrecognized compensation cost related to Market-Based RSUs totaled \$5.7 million and is expected to be recognized over the remaining vesting period of 2.4 years.

### Stock Option Awards

Compensation expense for stock option awards, recognized in SG&A on the condensed consolidated statements of operations, was \$0.2 million and \$0.2 million for the three months ended March 31, 2020 and 2019, respectively, with no associated tax benefits.

At March 31, 2020, unrecognized compensation cost related to stock option awards totaled \$1.4 million and is expected to be recognized over the remaining vesting period of 2.0 years.

## NOTE 14 - Derivatives

On November 6, 2018, WSII entered into an interest rate swap agreement (the "Swap Agreement") with a financial counterparty that effectively converts \$400.0 million in aggregate notional amount of variable-rate debt under the Company's ABL Facility into fixed-rate debt. The Swap Agreement will terminate on May 29, 2022, at the same time the Company's ABL Facility matures. Under the terms of the Swap Agreement, the Company receives a floating rate equal to 1 month LIBOR and makes payments based on a fixed rate of 3.06% on the notional amount. The receive rate under the terms of the Swap Agreement was 0.70% and 1.74% at March 31, 2020 and December 31, 2019, respectively.

The Swap Agreement was designated and qualified as a hedge of the Company's exposure to changes in interest payment cash flows created by fluctuations in variable interest rates on the ABL Facility.

The location and the fair value of derivative instruments designated as hedges, at the respective balance sheet dates, were as follows:

<i>(in thousands)</i>	Balance Sheet Location	March 31, 2020	December 31, 2019
Cash Flow Hedges:			
Interest rate swap	Accrued liabilities	\$ 10,072	\$ 5,348
Interest rate swap	Other long-term liabilities	\$ 13,162	\$ 8,943

The fair value of the interest rate swap is based on dealer quotes of market forward rates, a Level 2 input on the fair value hierarchy, and reflects the amount that the Company would receive or pay as of March 31, 2020 and December 31, 2019, respectively, for contracts involving the same attributes and maturity dates.

The following table discloses the impact of the interest rate swap, excluding the impact of income taxes, on other comprehensive income ("OCI"), AOCI and the Company's statement of operations for the three months ending March 31:

<i>(in thousands)</i>	2020		2019	
Loss recognized in OCI	\$	(8,758)	\$	(2,874)
Location of loss recognized in income	Interest expense		Interest expense	
Loss reclassified from AOCI into income (effective portion)	\$	(1,572)	\$	(568)

## NOTE 15 - Commitments and Contingencies

### Commitments

At March 31, 2020 and December 31, 2019, commitments for the acquisition of rental equipment and property, plant and equipment were \$9.9 million and \$4.5 million, respectively.

### Contingencies

The Company is involved in various lawsuits or claims in the ordinary course of business. Management is of the opinion that there is no pending claim or lawsuit which, if adversely determined, would have a material effect on the Company's financial condition, results of operations or cash flows.

## NOTE 16 - Segment Reporting

The Company operates in one principal line of business: modular leasing and sales. Modular leasing and sales is comprised of two operating segments: US and Other North America. The US modular operating segment ("Modular - US") consists of the contiguous 48 states and Hawaii. The Other North America operating segment ("Modular - Other North America") consists of Alaska, Canada and Mexico. Total assets for each reportable segment are not available because the Company utilizes a centralized approach to working capital management. Transactions between reportable segments are not significant.

The Chief Operating Decision Maker ("CODM") evaluates business segment performance on Adjusted EBITDA, which excludes certain items as shown in the reconciliation of the Company's consolidated net loss before tax to Adjusted EBITDA below. Management believes that evaluating segment performance excluding such items is meaningful because it provides insight with respect to intrinsic operating results of the Company.

The Company also regularly evaluates gross profit by segment to assist in the assessment of its operational performance. The Company considers Adjusted EBITDA to be the more important metric because it more fully captures the business performance of the segments, inclusive of indirect costs.

## Reportable Segments

The following tables set forth certain information regarding each of the Company's reportable segments for the three months ended March 31, 2020 and 2019, respectively.

<i>(in thousands)</i>	Three Months Ended March 31, 2020		
	Modular - US	Modular - Other North America	Total
<b>Revenues:</b>			
Leasing and services revenue:			
Modular leasing	\$ 172,575	\$ 15,777	\$ 188,352
Modular delivery and installation	47,617	3,453	51,070
Sales revenue:			
New units	9,267	346	9,613
Rental units	4,405	2,381	6,786
<b>Total revenues</b>	<b>233,864</b>	<b>21,957</b>	<b>255,821</b>
<b>Costs:</b>			
Cost of leasing and services:			
Modular leasing	46,884	2,925	49,809
Modular delivery and installation	40,706	3,159	43,865
Cost of sales:			
New units	6,007	196	6,203
Rental units	2,305	1,501	3,806
Depreciation of rental equipment	41,653	4,295	45,948
<b>Gross profit</b>	<b>\$ 96,309</b>	<b>\$ 9,881</b>	<b>\$ 106,190</b>
<b>Other selected data:</b>			
Adjusted EBITDA	\$ 81,685	\$ 7,859	\$ 89,544
Selling, general and administrative expense	\$ 68,663	\$ 6,305	\$ 74,968
Other depreciation and amortization	\$ 2,877	\$ 197	\$ 3,074
Purchases of rental equipment and refurbishments	\$ 37,006	\$ 2,642	\$ 39,648

Three Months Ended March 31, 2019			
<i>(in thousands)</i>	Modular - US	Modular - Other North America	Total
Revenues:			
Leasing and services revenue:			
Modular leasing	\$ 161,885	\$ 15,407	\$ 177,292
Modular delivery and installation	46,006	3,994	50,000
Sales revenue:			
New units	13,961	880	14,841
Rental units	8,323	3,229	11,552
Total revenues	230,175	23,510	253,685
Costs:			
Cost of leasing and services:			
Modular leasing	43,883	3,352	47,235
Modular delivery and installation	39,751	3,592	43,343
Cost of sales:			
New units	10,250	628	10,878
Rental units	5,869	1,926	7,795
Depreciation of rental equipment	36,474	4,629	41,103
Gross profit	\$ 93,948	\$ 9,383	\$ 103,331
Other selected data:			
Adjusted EBITDA	\$ 75,946	\$ 7,408	\$ 83,354
Selling, general and administrative expense	\$ 65,930	\$ 7,389	\$ 73,319
Other depreciation and amortization	\$ 2,574	\$ 210	\$ 2,784
Purchases of rental equipment and refurbishments	\$ 49,921	\$ 1,952	\$ 51,873

The following tables present a reconciliation of the Company's (loss) income from operations before income tax to Adjusted EBITDA by segment for the three months ended March 31, 2020 and 2019, respectively:

Three Months Ended March 31, 2020			
<i>(in thousands)</i>	Modular - US	Modular - Other North America	Total
(Loss) income from operations before income taxes	\$ (4,273)	\$ 1,389	\$ (2,884)
Interest expense	27,928	329	28,257
Depreciation and amortization	44,530	4,492	49,022
Currency (gains) losses, net	(525)	1,423	898
Restructuring costs, lease impairment expense and other related charges	1,355	246	1,601
Transaction costs	9,431	—	9,431
Integration costs	1,696	(11)	1,685
Stock compensation expense	1,787	—	1,787
Other income	(244)	(9)	(253)
Adjusted EBITDA	\$ 81,685	\$ 7,859	\$ 89,544

<i>(in thousands)</i>	Three Months Ended March 31, 2019		
	Modular - US	Modular - Other North America	Total
(Loss) income from operations before income taxes	\$ (10,044)	\$ 393	\$ (9,651)
Interest expense	30,582	533	31,115
Depreciation and amortization	39,047	4,840	43,887
Currency gains, net	(130)	(186)	(316)
Restructuring costs, lease impairment expense and other related charges	4,177	564	4,741
Goodwill and other impairments	1,801	489	2,290
Integration costs	9,352	786	10,138
Stock compensation expense	1,290	—	1,290
Other income	(129)	(11)	(140)
Adjusted EBITDA	<u>\$ 75,946</u>	<u>\$ 7,408</u>	<u>\$ 83,354</u>

## NOTE 17 - Loss Per Share

Basic loss per share ("EPS") is calculated by dividing net loss attributable to WillScot by the weighted average number of Class A common shares outstanding during the period. The common shares issued as a result of the vesting of RSUs and for warrants exercised or redeemed during the three months ended March 31, 2020, were included in EPS based on the weighted average number of days in which they were vested and outstanding during the period.

Class B common shares have no rights to dividends or distributions made by the Company and, in turn, are excluded from the EPS calculation. Pursuant to the exchange agreement entered into by WS Holding's shareholders, Sapphire has the right, but not the obligation, to exchange all, but not less than all, of its shares of WS Holdings into newly issued shares of WillScot's Class A common stock in a private placement transaction. In connection with the pending Merger, Sapphire has agreed to exchange all of its shares of common stock, par value \$0.0001 per share, of WS Holdings, immediately prior to the effective time of the Merger, for shares of WillScot's Class A common stock, at an exchange ratio of 1.3261 times, without any subsequent adjustment. As a result of such exchange, at the effective time of the Merger, all issued and outstanding shares of the Company's Class B common stock (which are held by Sapphire) will be cancelled. The effect of the cancellation of shares of Class B common stock would be anti-dilutive for the three months ended March 31, 2020 and 2019.

Diluted EPS is computed similarly to basic EPS, except that it includes the potential dilution that could occur if dilutive securities were exercised. Effects of potentially dilutive securities are presented only in periods in which they are dilutive.

Stock options, Time-Based RSUs, RSAs, and warrants representing 534,188, 900,541, 52,755, and 18,746,920 shares of Class A common stock outstanding for the three months ended March 31, 2020 were excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive. Market-Based RSUs representing 578,886 shares of Class A common stock outstanding for the three months ended March 31, 2020, which can vest at 0% to 150% of the amount granted, were excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive.

Stock options, Time-Based RSUs, RSAs, and warrants representing 589,257, 1,117,953, 44,378 and 22,183,513 shares of Class A common stock outstanding for the three months ended March 31, 2019, were excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive. Market-Based RSUs representing 302,182 shares of Class A common stock outstanding for the three months ended March 31, 2019, which can vest at 0% to 150% of the amount granted, were excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive.

## NOTE 18 - Related Parties

Related party balances included in the Company's consolidated balance sheet at March 31, 2020 and December 31, 2019, consisted of the following:

<i>(in thousands)</i>	Financial statement line item	March 31, 2020	December 31, 2019
Receivables due from affiliates	Accounts receivable, net	\$ 376	\$ 26
Amounts due to affiliates <sup>(a)</sup>	Accrued liabilities	(981)	(883)
	Total related party liabilities, net	<u>\$ (605)</u>	<u>\$ (857)</u>

(a) The Company had accrued expenses of \$0.2 million and \$0.6 million at March 31, 2020 and December 31, 2019, respectively, included in amounts due to affiliates, related to rental equipment purchases from an entity within the Algeco Group. Two of the Company's directors also serve on the board of directors to a consulting firm with which the Company incurs professional fees.

Related party transactions included in the Company's condensed consolidated statement of operations for the three months ended March 31, 2020 and 2019, respectively, consisted of the following:

(in thousands)	Financial statement line item	Three Months Ended March 31,	
		2020	2019
Leasing revenue from related parties	Modular leasing revenue	\$ 417	\$ 74
Consulting expense to related party <sup>(a)</sup>	Selling, general & administrative expenses	(838)	(272)
	Total related party expense, net	\$ (421)	\$ (198)

(a) Two of the Company's directors also serve on the board of directors to a consulting firm with which the Company incurs professional fees.

On August 22, 2018, WillScot's majority stockholder, Sapphire, entered into a margin loan (the "Margin Loan") under which all of its WillScot Class A common stock was pledged to secure \$125.0 million of borrowings under the loan agreement. WillScot is not a party to the loan agreement and has no obligations thereunder, but WillScot delivered an issuer agreement to the lenders under which WillScot has agreed to certain obligations relating to the shares pledged by Sapphire and, subject to applicable law and stock exchange rules, not to take any actions that are intended to materially hinder or delay the exercise of any remedies with respect to the pledged shares. In connection with the Margin Loan, on August 24, 2018, WSII entered into a two-year supply agreement with Target Logistics Management LLC, an affiliate controlled by Sapphire, under which, subject to limited exceptions, WSII acquired the exclusive right to supply modular units, portable storage units, and other ancillary products ordered by the affiliate in the US. As of March 31, 2020, the 49,053,740 shares of WillScot Class A common stock pledged by Sapphire represented approximately 44.4% of WillScot's issued and outstanding Class A shares.

The Company had capital expenditures of rental equipment purchased from related party affiliates of \$0.2 million and \$1.5 million for three months ended March 31, 2020 and 2019, respectively.

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

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help the reader understand WillScot Corporation ("WillScot"), our operations and our present business environment. Unless the context otherwise requires, "we," "us," "our" and the "Company" refers to WillScot and its subsidiaries. MD&A is provided as a supplement to, and should be read in conjunction with, our financial statements and the accompanying notes thereto, contained in Part I, Item 1 of this report.

The consolidated financial statements were prepared in conformity with accounting principles generally accepted in the US ("GAAP"). We use certain non-GAAP financial information that we believe is important for purposes of comparison to prior periods and development of future projections and earnings growth prospects. This information is also used by management to measure the profitability of our ongoing operations and analyze our business performance and trends. Reconciliations of non-GAAP measures are provided in the Other Non-GAAP Financial Data and Reconciliations section.

On December 31, 2019, the 2019 financial statement amounts were adjusted for the adoption ASU 2016-02, *Leases (Topic 842)* ("ASC 842"), effective retroactively to January 1, 2019, and therefore may not agree to the Quarterly Reports filed on Form 10-Q for the respective periods of 2019.

### Executive Summary and Outlook

We are a leading provider of modular space and portable storage solutions in the United States ("US"), Canada and Mexico. As of March 31, 2020, our branch network included approximately 120 locations and additional drop lots to service our more than 50,000 customers across the US, Canada and Mexico. We offer our customers an extensive selection of "Ready to Work" modular space and portable storage solutions with over 125,000 modular space units and over 25,000 portable storage units in our fleet.

Equipment leasing is our core business. Over 90% of new lease orders are on our standard lease agreement, pre-negotiated master lease or national account agreements. The initial lease periods vary, and our leases are customarily renewable on a month-to-month basis after their initial term. Our Modular Lease Revenue is highly predictable due to its reoccurring nature and the underlying stability and diversification of our lease portfolio. Our average minimum contractual lease term at the time of delivery is over 11 months. However, given our customers value flexibility, they consistently extend their leases or renew on a month-to-month basis such that the average effective duration of our lease portfolio is 34 months.

We remain focused on our core priorities of growing modular leasing revenues by increasing modular space units on rent, both organically and through our consolidation strategy, delivering "Ready to Work" solutions to our customers with value added products and services ("VAPS"), and on continually improving the overall customer experience.

Our customers operate in a diversified set of end-markets, including commercial and industrial, construction, education, energy and natural resources, government and other end-markets. We track several market leading indicators including those related to our two largest end markets, the commercial and industrial segment and the construction segment, which collectively accounted for approximately 83% of our revenues in the three months ended March 31, 2020.

## **Significant Developments**

### ***Pending Mobile Mini Merger***

On March 2, 2020, we announced that we entered into an Agreement and Plan of Merger with Mobile Mini, Inc. ("Mobile Mini"). The pending merger with Mobile Mini is subject to customary closing conditions, including receipt of regulatory approvals and stockholder approvals from the Company's and Mobile Mini's stockholders. We are working collaboratively with our counterparts at Mobile Mini to satisfy these closing conditions and plan the integration of the two businesses with the expectation of closing in the third quarter of 2020. We believe that the merger will result in strategic and financial benefits by combining the two industry leaders in the complementary modular space and portable storage solutions markets.

### ***COVID-19 Impact on Business***

During the three months ended March 31, 2020, financial results for our operations were not significantly impacted by the COVID-19 outbreak as we are considered an essential business in most jurisdictions and as such have continued to operate normally with additional safety protocols in place. However, there have been significant changes to the global economic situation as a consequence of the COVID-19 pandemic, and since the declaration by the World Health Organization on March 11, 2020 of COVID-19 as a global pandemic, our operations have been adversely impacted and we expect our financial results may be adversely impacted in the future. The global pandemic is resulting in significant global social and business disruption, and in response we are modifying the way we communicate and conduct business with our customers, suppliers and employees. The following summarizes many of the key actions we have taken in response to the pandemic.

### ***Employee Safety and Health***

The Company has implemented various employee safety measures to contain the spread of COVID-19, including domestic and international travel restrictions, the promotion of social distancing and work-from-home practices, extensive cleaning protocols, daily symptom assessments, and enhanced use of personal protective equipment such as masks. We are closely monitoring all guidance provided by public agencies such as the Centers for Disease Control and Prevention in the US or the Public Health Agency of Canada to ensure the safety of our employees, vendors, and customers as our top priority.

### ***Sales and Leasing Operations***

The Company is responding to shelter-in-place and similar government orders, which vary significantly across our geographic markets. As a result of the shelter-in-place orders and increased social distancing, some of our markets, such as special events and sports and entertainment, have experienced immediate reductions in demand for new projects. Other sectors such as health care have seen increased demand, and other sectors such as construction have remained active but with varying degrees of project disruption. We are also responding to demand across our end markets from customers in need of additional office space to facilitate social distancing. As the Company serves many critical sectors of the economy, the Company will continue to help support customers who remain operational, as well as those who are actively engaged in the COVID-19 response. We believe that our branch locations are considered essential businesses in most jurisdictions and as such have continued to operate normally with the aforementioned safety protocols in place, while our customer service and sales teams are working closely with customers to meet current demand. The impact on future demand for new projects will depend greatly on the degree and duration to which governments restrict business and personal activities going forward and when businesses resume normal operations.

### ***Cost Reductions***

In anticipation of a potential decline in demand for new projects, the Company has implemented a range of actions aimed at temporarily reducing costs and preserving liquidity. These actions include suspending previously planned compensation increases for its corporate and shared services employees until the third quarter of 2020, putting a temporary freeze on hiring, significant planned reductions to overtime and external variable labor costs, and significant reductions in other discretionary spending including marketing, travel and entertainment, outside professional fees and other aspects of the business. Reduced demand for new projects allows the Company to reduce or delay capital spending, including new fleet purchases, refurbishments of existing equipment, and improvements to branch infrastructure. The Company monitors new project demand on a daily basis, and given the flexibility in our cost structure, can adjust costs and capital spending rapidly to align with demand levels.

## First Quarter Highlights

For the three months ended March 31, 2020, key drivers of financial performance included:

- Total revenues increased by \$2.1 million, or 0.8%, as compared to the same period in 2019, driven by a \$12.2 million, or 5.4% increase in our core leasing and services revenues primarily due to pricing growth, partially offset by lower units on rent. Increases in our core leasing and services revenues were partially offset by new and rental unit sales which decreased by \$5.2 million, or 35.1% and by \$4.8 million, or 41.4%, respectively, driven by higher demand in 2019.
  - Consolidated modular space average monthly rental rate increased to \$653 representing a 13.6% increase year over year.
  - Consolidated average modular space units on rent decreased 5,320 or 5.7% year over year, and average modular space utilization decreased 320 basis points (“bps”) year over year to 69.2%.
- Modular - US segment revenues, which represented 91.4% of revenue for the three months ended March 31, 2020, increased by \$3.7 million, or 1.6%, as compared to the same period in 2019, through:
  - Modular space average monthly rental rate of \$659, increased 14.2% year over year. Improved pricing was driven by a combination of our price optimization tools and processes, as well as by continued growth in our “Ready to Work” solutions and increased VAPS penetration across our customer base.
  - Average modular space units on rent decreased 4,961, or a 5.9% year over year decrease.
  - Average modular space monthly utilization decreased 330 bps to 71.5% for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019.
- Modular - Other North America segment revenues which represented 8.6% of revenues for the three months ended March 31, 2020, decreased by \$1.5 million, or 6.4% as compared to the same period in 2019. Decreases were driven primarily by decreased new and rental unit sales and decreased modular delivery and installation revenues which decreased by \$1.4 million, or 34.1%, and by \$0.5 million, or 12.5%, respectively, driven by higher demand in 2019. These decreases were partially offset by net increases in modular leasing revenues through:
  - Average modular space monthly rental rate increased 8.7% to \$600.
  - Average modular space units on rent decreased by 359 units, or 4.1% as compared to the same period in 2019.
  - Average modular space monthly utilization decreased by 230 bps as compared to the same period in 2019 to 52.8%.
- Generated consolidated net loss of \$3.7 million for the three months ended March 31, 2020, which included \$12.7 million of discrete costs expensed in the period related to acquisition and integration activities, including \$9.4 million of transaction costs related to the announced Mobile Mini merger, \$1.7 million of integration costs, and \$1.6 million of lease impairment and other related charges and restructuring costs.
- Generated Adjusted EBITDA of \$89.5 million for the three months ended March 31, 2020, representing an increase of \$6.1 million or 7.3% as compared to the same period in 2019, which includes continued realization of commercial and cost synergies associated with the ModSpace acquisition. Adjusted EBITDA for the Modular - US segment and the Modular - Other North America segment, respectively, was \$81.7 million and \$7.8 million for the three months ended March 31, 2020.
- Generated Free Cash Flow of \$7.8 million for the three months ended March 31, 2020, representing an increase of \$34.4 million as compared to the same period in 2019, as net cash provided by operating activities of \$38.3 million was reinvested primarily in value added products and fleet refurbishments to support growth of modular leasing revenues (net cash used in investing activities of \$30.5 million).

## Consolidated Results of Operations

### Three Months Ended March 31, 2020 Compared to the Three Months Ended March 31, 2019

Our consolidated statements of operations for the three months ended March 31, 2020 and 2019 are presented below:

(in thousands)	Three Months Ended March 31,		2020 vs. 2019 \$ Change
	2020	2019	
<b>Revenues:</b>			
Leasing and services revenue:			
Modular leasing	\$ 188,352	\$ 177,292	\$ 11,060
Modular delivery and installation	51,070	50,000	1,070
Sales revenue:			
New units	9,613	14,841	(5,228)
Rental units	6,786	11,552	(4,766)
Total revenues	255,821	253,685	2,136
<b>Costs:</b>			
Costs of leasing and services:			
Modular leasing	49,809	47,235	2,574
Modular delivery and installation	43,865	43,343	522
Costs of sales:			
New units	6,203	10,878	(4,675)
Rental units	3,806	7,795	(3,989)
Depreciation of rental equipment	45,948	41,103	4,845
Gross Profit	106,190	103,331	2,859
<b>Expenses:</b>			
Selling, general and administrative	74,968	73,319	1,649
Other depreciation and amortization	3,074	2,784	290
Impairment losses on long-lived assets	—	2,290	(2,290)
Lease impairment expense and other related charges	1,661	3,085	(1,424)
Restructuring costs	(60)	1,656	(1,716)
Currency losses (gains), net	898	(316)	1,214
Other expense (income), net	276	(951)	1,227
Operating income	25,373	21,464	3,909
Interest expense	28,257	31,115	(2,858)
Loss from operations before income tax	(2,884)	(9,651)	6,767
Income tax expense	790	378	412
Net loss	(3,674)	(10,029)	6,355
Net loss attributable to non-controlling interest, net of tax	(130)	(758)	628
Net loss attributable to WillScot	\$ (3,544)	\$ (9,271)	\$ 5,727

### Comparison of Three Months Ended March 31, 2020 and 2019

**Revenue:** Total revenue increased \$2.1 million, or 0.8%, to \$255.8 million for the three months ended March 31, 2020 from \$253.7 million for the three months ended March 31, 2019. The increase was primarily the result of a 5.4% increase in leasing and services revenue driven by improved pricing on modular space units as well as increased modular delivery and installation revenues of 2.2% due to higher revenues per transaction. The increase in leasing and services revenue was partially offset by decreases of \$5.2 million, or 35.1%, and \$4.8 million, or 41.4%, on new unit and rental unit sales, respectively, as compared to the same period in 2019 driven by lower sales demand.

Total average units on rent for the three months ended March 31, 2020 and 2019 were 104,335 and 110,728, respectively. The decrease was due primarily to lower units on rent, with modular space average units on rent decreasing 5,320 units, or 5.7%, for the three months ended March 31, 2020 as compared to the three months ended March 31, 2019. Modular space average monthly rental rates increased 13.6% to \$653 for the three months ended March 31, 2020. Improved pricing was driven by a combination of our price optimization tools and processes, as well as by continued growth in our "Ready to Work" solutions and increased VAPS penetration across our customer base. Portable storage average units on rent decreased by 1,073 units, or 6.2%, for the three months ended March 31, 2020. Average portable storage monthly rental rates

were flat for the three months ended March 31, 2020. The average modular space unit utilization rate during the three months ended March 31, 2020 was 69.2%, as compared to 72.4% during the same period in 2019. This decrease was driven by lower average modular space units on rent, partially offset by a lower total modular space unit fleet size. The average portable storage unit utilization rate during the three months ended March 31, 2020 was 64.1%, as compared to 66.1% during the same period in 2019. The decrease in average portable storage utilization rate was driven by declines in the number of portable storage average units on rent.

**Gross Profit:** Our gross profit percentage was 41.5% and 40.7% for the three months ended March 31, 2020 and 2019, respectively. Our gross profit percentage, excluding the effects of depreciation, was 59.5% and 56.9% for the three months ended March 31, 2020 and 2019, respectively.

Gross profit increased \$2.9 million, or 2.8%, to \$106.2 million for the three months ended March 31, 2020 from \$103.3 million for the three months ended March 31, 2019. The increase in gross profit is a result of an \$8.5 million increase in modular leasing gross profit and increased delivery and installation gross profit of \$0.5 million. Increases in modular leasing and services gross profit were primarily as a result of increased revenues due to favorable average monthly rental rates on modular space units and increased delivery and installation margins driven primarily by higher pricing per transaction. These increases were partially offset by increased depreciation of \$4.8 million as a result of continued capital investment in our existing rental equipment and decreased new and rental unit sale margins of \$1.3 million due to lower demand.

**SG&A:** Selling, general and administrative ("SG&A") increased \$1.7 million, or 2.3%, to \$75.0 million for the three months ended March 31, 2020, compared to \$73.3 million for the three months ended March 31, 2019. The primary driver of the increase is related to increased discrete costs. Discrete items within SG&A increased for the three months ended March 31, 2020, compared to the three months ended March 31, 2019, by \$0.9 million as transaction costs related to the announced Mobile Mini transaction of \$9.4 offset reduced integration cost savings of \$8.5 million as compared to the three months ended March 31, 2019. Stock compensation expense increased \$0.5 million and other costs decreased \$0.5 million as compared to the three months ended March 31, 2019.

Excluding discrete items, SG&A increased \$0.6 million as a result of increased expenses related to our bi-annual company meeting held in January of 2020, which drove an increase of approximately \$2.4 million as compared to the prior year. Employee costs also increased \$0.5 million driven by the increased employee benefit costs that more than offset employee salary cost savings of \$1.1 million as compared to the prior year. Occupancy costs and computer costs decreased \$1.3 million and \$1.0 million, respectively, as a result of realized cost savings achieved by exiting redundant real estate locations and consolidating information systems.

**Other Depreciation and Amortization:** Other depreciation and amortization was \$3.1 million for the three months ended March 31, 2020, and increased \$0.3 million as compared to \$2.8 million for the three months ended March 31, 2019.

**Impairment Losses on Long-lived Assets:** Impairment losses on long-lived assets was \$2.3 million for the three months ended March 31, 2019 related to the valuation of properties classified as assets held for sale as a result of the ModSpace acquisition. No similar impairments occurred during the three months ended March 31, 2020.

**Lease Impairment expense and Other Related Charges:** Lease impairment expense and other related charges was \$1.7 million for the three months ended March 31, 2020 as compared to \$3.1 million for the three months ended March 31, 2019. Lease impairment expense and other related charges of \$1.7 million for the three months ended March 31, 2020 relates to closed location rent expense and loss on lease exits, compared to the \$3.1 million for the three months ended March 31, 2019 which included \$2.4 million as a result of right of use asset impairment and \$0.7 million related to closed location rent expense and loss on lease exits.

**Restructuring Costs:** In the three months ended March 31, 2020, the Company had \$0.1 million in reversal of restructuring costs attributable to adjustments to previously recorded employee termination accruals. In the three months ended March 31, 2019, \$1.7 million of restructuring costs was recorded primarily related to employee termination costs as a result of the ModSpace integration.

**Currency Losses (Gains), net:** Currency losses (gains), net decreased by \$1.2 million to a \$0.9 million loss for the three months ended March 31, 2020 compared to a \$0.3 million gain for the three months ended March 31, 2019. The decrease in currency gains in 2020 was primarily attributable to the impact of foreign currency exchange rate changes on loans and borrowings and intercompany receivables and payables denominated in a currency other than the subsidiaries' functional currency.

**Other Expense (Income), Net:** Other expense (income), net was expense of \$0.3 million for the three months ended March 31, 2020 compared to income of \$1.0 million for the three months ended March 31, 2019. Other income, net of \$1.0 million for the three months ended March 31, 2019 was primarily driven by the receipt of a settlement which contributed \$0.9 million to other expense (income), net.

**Interest Expense:** Interest expense decreased \$2.8 million, or 9.0%, to \$28.3 million for the three months ended March 31, 2020 from \$31.1 million for the three months ended March 31, 2019. The decrease in interest expense is primarily attributable to the repayment of our 10% senior unsecured notes in the second quarter of 2019, partially offset by an increase in borrowings under our 6.875% senior secured notes. See Note 9 to the condensed consolidated financial statements for further discussion of our debt.

**Income Tax Expense:** Income tax expense increased \$0.4 million to \$0.8 million for the three months ended March 31, 2020 compared to \$0.4 million for the three months ended March 31, 2019. The increase in income tax expense was driven by legislative enacted discrete benefits recorded in the three months ended March 31, 2019 which did not occur in the three months ended March 31, 2020.

## Business Segment Results

Our principal line of business is modular leasing and sales. Modular leasing and sales comprises two reportable segments: Modular - US and Modular - Other North America. The Modular - US reportable segment includes the contiguous 48 states and Hawaii, and the Modular - Other North America reportable segment includes Alaska, Canada and Mexico.

The following tables and discussion summarize our reportable segment financial information for the three months ended March 31, 2020 and 2019. Future changes to our organizational structure may result in changes to the segments disclosed.

### Comparison of Three Months Ended March 31, 2020 and 2019

<i>(in thousands, except for units on rent and rates)</i>	Three Months Ended March 31, 2020		
	Modular - US	Modular - Other North America	Total
Revenue	\$ 233,864	\$ 21,957	\$ 255,821
Gross profit	\$ 96,309	\$ 9,881	\$ 106,190
Adjusted EBITDA	\$ 81,685	\$ 7,859	\$ 89,544
Capital expenditures for rental equipment	\$ 37,006	\$ 2,642	\$ 39,648
Modular space units on rent (average during the period)	79,501	8,488	87,989
Average modular space utilization rate	71.5 %	52.8 %	69.2 %
Average modular space monthly rental rate	\$ 659	\$ 600	\$ 653
Portable storage units on rent (average during the period)	15,959	387	16,346
Average portable storage utilization rate	64.5 %	50.1 %	64.1 %
Average portable storage monthly rental rate	\$ 119	\$ 113	\$ 119

<i>(in thousands, except for units on rent and rates)</i>	Three Months Ended March 31, 2019		
	Modular - US	Modular - Other North America	Total
Revenue	\$ 230,175	\$ 23,510	\$ 253,685
Gross profit	\$ 93,948	\$ 9,383	\$ 103,331
Adjusted EBITDA	\$ 75,946	\$ 7,408	\$ 83,354
Capital expenditures for rental equipment	\$ 49,921	\$ 1,952	\$ 51,873
Modular space units on rent (average during the period)	84,462	8,847	93,309
Average modular space utilization rate	74.8 %	55.1 %	72.4 %
Average modular space monthly rental rate	\$ 577	\$ 552	\$ 575
Portable storage units on rent (average during the period)	17,010	409	17,419
Average portable storage utilization rate	66.6 %	52.0 %	66.1 %
Average portable storage monthly rental rate	\$ 120	\$ 109	\$ 119

### Modular - US Segment

**Revenue:** Total revenue increased \$3.7 million, or 1.6%, to \$233.9 for the three months ended March 31, 2020 from \$230.2 for the three months ended March 31, 2019. The increase was primarily the result of a 6.6% increase in leasing revenue driven by improved pricing on modular space units as well as increased modular delivery and installation revenues of 3.5% due to higher revenues per transaction. Average modular space monthly rental rates increased 14.2% for the three months ended March 31, 2020 to \$659 driven by a combination of our price optimization tools and processes, as well as by continued growth in our "Ready to Work" solutions and increased VAPS penetration across our customer base. Improved pricing was partially offset by lower volumes as average modular space units on rent decreased 4,961 units, or 5.9%. The decrease was due primarily to units on rent lost over the course 2019. The increases in leasing and services revenue were partially offset by decreases in sales revenues. New unit sales revenue decreased \$4.7 million, or 33.6%, and rental unit sales revenue decreased \$3.9 million, or 47.0% driven by lower sales demand.

**Gross Profit:** Gross profit increased \$2.4 million, or 2.6%, to \$96.3 million for the three months ended March 31, 2020 from \$93.9 million for the three months ended March 31, 2019. The increase in gross profit was driven by higher modular leasing and service revenues driven primarily from improved pricing and VAPS, as well as due to increased modular space delivery and installation margins. Modular leasing and service gross profit increased \$8.4 million, or 6.8%. The increase in gross profit from modular leasing and service revenues for the three months ended March 31, 2020 was partially offset by a \$0.7 million decrease in sales gross profit and a \$5.2 million increase in depreciation of rental equipment related to the impact of continued capital investment in our existing rental equipment.

**Adjusted EBITDA:** Adjusted EBITDA increased \$5.7 million, or 7.5%, to \$81.7 million for the three months ended March 31, 2020 from \$76.0 for the three months ended March 31, 2019. The increase was driven by higher modular leasing and services gross profit discussed above, partially offset by increases in SG&A, excluding discrete and other items, of \$1.8 million. SG&A, excluding discrete items, increased \$0.9 million, or 1.7%, for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019. Increases were related primarily to our bi-annual company meeting held in January of 2020, which drove an increase of approximately \$2.3 million as compared to the prior year. Employee costs also increased \$0.8 million driven by increased employee benefit costs that more than offset employee salary cost savings of \$0.8 million as compared to the prior year. Occupancy costs and computer costs decreased \$1.0 million and \$1.0 million, respectively, as a result of realized cost savings achieved by exiting redundant real estate locations and consolidating information systems.

**Capital Expenditures for Rental Equipment:** Purchases of rental equipment and refurbishments decreased \$13.0 million, or 26.0%, to \$37.0 million for the three months ended March 31, 2020 from \$50.0 million for the three months ended March 31, 2019. Net CAPEX, as defined below in *Item 2. Other Non-GAAP Financial Data and Reconciliations*, also decreased \$8.3 million, or 19.7%, to \$33.9 million. The decreases for both were driven by decreased spend for refurbishments and VAPS due to less constrained fleet and cost improvements experienced over the prior year related to better unit selection and scoping on refurbishments.

### **Modular - Other North America Segment**

**Revenue:** Total revenue decreased \$1.5 million, or 6.4%, to \$22.0 million for the three months ended March 31, 2020 from \$23.5 million for the three months ended March 31, 2019. Decreases were primarily driven by reduced modular delivery and installation revenues, which decreased \$0.5 million, or 12.5%, new unit sales decreases of \$0.6 million, or 66.7%, and rental unit sale decreases of \$0.8 million, or 25.0% for the three months ended March 31, 2020. These decreases were partially offset by increased modular leasing revenue, which increased \$0.4 million, or 2.6%, driven by improved pricing in the quarter. Average modular space monthly rental rates increased 8.7% driven by continued growth in our "Ready to Work" solutions and increased VAPS penetration across the combined post-acquisition customer base. This was offset partially by lower average modular space units on rent, which decreased by 359 units, or 4.1%.

**Gross Profit:** Gross profit increased \$0.5 million, or 5.3%, to \$9.9 million for the three months ended March 31, 2020 from \$9.4 for the three months ended March 31, 2019. The effects of unfavorable foreign currency movements decreased gross profit by \$0.5 million related to changes in the Canadian dollar and Mexican peso in relation to the US dollar. The increase in gross profit, excluding the effects of foreign currency, of \$1.0 million was driven primarily by increased leasing and services margins of \$1.4 million as a result of increased average monthly rental rates and lower variable costs, and lower depreciation of \$0.1 million for three months ended March 31, 2020, partially offset by reduced new and rental unit sales gross profit of \$0.5 million for three months ended March 31, 2020.

**Adjusted EBITDA:** Adjusted EBITDA increased \$0.4 million, or 5.4%, to \$7.8 million for the three months ended March 31, 2020 from \$7.4 million for the three months ended March 31, 2019. This increase was driven by higher modular leasing and services gross profits discussed above, as well as by decreased SG&A, excluding discrete items, which decreased \$0.3 million, or 4.4%, for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019. Decreases were related primarily to employee salary cost decreases of \$0.3 million and occupancy costs decreases of \$0.3 million as a result of realized cost savings achieved through restructuring activities and by exiting redundant real estate locations over the past year.

**Capital Expenditures for Rental Equipment:** Purchases of rental equipment and refurbishments increased \$0.6 million, or 30.0%, to \$2.6 million for the three months ended March 31, 2020 from \$2.0 million for the three months ended March 31, 2019. The increase was driven by increased refurbishment spend.

## Other Non-GAAP Financial Data and Reconciliations

We use certain non-GAAP financial information that we believe is important for purposes of comparison to prior periods and development of future projections and earnings growth prospects. This information is also used by management to measure the profitability of our ongoing operations and analyze our business performance and trends.

We evaluate business segment performance on Adjusted EBITDA, a non-GAAP measure that excludes certain items as described in the reconciliation of our consolidated net income (loss) to Adjusted EBITDA reconciliation below. We believe that evaluating segment performance excluding such items is meaningful because it provides insight with respect to intrinsic operating results of the Company.

We also regularly evaluate gross profit by segment to assist in the assessment of the operational performance of each operating segment. We consider Adjusted EBITDA to be the more important metric because it more fully captures the business performance of the segments, inclusive of indirect costs.

### Adjusted EBITDA

We define EBITDA as net income (loss) plus interest expense, income tax expense (benefit), depreciation and amortization. Our adjusted EBITDA ("Adjusted EBITDA") reflects the following further adjustments to EBITDA to exclude certain non-cash items and the effect of what we consider transactions or events not related to our core business operations:

- Currency losses (gains), net: on monetary assets and liabilities denominated in foreign currencies other than the subsidiaries' functional currency. Substantially all such currency losses (gains) are unrealized and attributable to financings due to and from affiliated companies.
- Goodwill and other impairment charges related to non-cash costs associated with impairment charges to goodwill, other intangibles, rental fleet and property, plant and equipment.
- Restructuring costs, lease impairment expense, and other related charges associated with restructuring plans designed to streamline operations and reduce costs including employee and lease termination costs.
- Transaction costs including legal and professional fees and other transaction specific related costs.
- Costs to integrate acquired companies, including outside professional fees, fleet relocation expenses, employee training costs and other costs.
- Non-cash charges for stock compensation plans.
- Other expense includes consulting expenses related to certain one-time projects, financing costs not classified as interest expense and gains and losses on disposals of property, plant and equipment.

Adjusted EBITDA has limitations as an analytical tool, and you should not consider the measure in isolation or as a substitute for net income (loss), cash flow from operations or other methods of analyzing WillScot's results as reported under GAAP. Some of these limitations are:

- Adjusted EBITDA does not reflect changes in, or cash requirements for our working capital needs;
- Adjusted EBITDA does not reflect our interest expense, or the cash requirements necessary to service interest or principal payments, on our indebtedness;
- Adjusted EBITDA does not reflect our tax expense or the cash requirements to pay our taxes;
- Adjusted EBITDA does not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect the impact on earnings or changes resulting from matters that we consider not to be indicative of our future operations;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and Adjusted EBITDA does not reflect any cash requirements for such replacements; and
- other companies in our industry may calculate Adjusted EBITDA differently, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered as discretionary cash available to reinvest in the growth of our business or as measures of cash that will be available to meet our obligations. The following table provides an unaudited reconciliation of net loss to Adjusted EBITDA:

<i>(in thousands)</i>	Three Months Ended March 31,	
	2020	2019
Net loss	\$ (3,674)	\$ (10,029)
Income tax expense	790	378
Interest expense	28,257	31,115
Depreciation and amortization	49,022	43,887
Currency losses (gains), net	898	(316)
Goodwill and other impairments	—	2,290
Restructuring costs, lease impairment expense and other related charges	1,601	4,741
Transaction costs	9,431	—
Integration costs	1,685	10,138
Stock compensation expense	1,787	1,290
Other income <sup>(a)</sup>	(253)	(140)
Adjusted EBITDA	<u>\$ 89,544</u>	<u>\$ 83,354</u>

(a) Other expense represents primarily acquisition-related costs such as advisory, legal, valuation and other professional fees in connection with actual or potential business combinations, which are expensed as incurred, but do not reflect ongoing costs of the business.

#### Adjusted Gross Profit and Adjusted Gross Profit Percentage

We define Adjusted Gross Profit as gross profit plus depreciation on rental equipment. Adjusted Gross Profit Percentage is defined as Adjusted Gross Profit divided by revenue. Adjusted Gross Profit and Adjusted Gross Profit Percentage are not measurements of our financial performance under GAAP and should not be considered as an alternative to gross profit, gross profit percentage, or other performance measure derived in accordance with GAAP. In addition, our measurement of Adjusted Gross Profit and Adjusted Gross Profit Percentage may not be comparable to similarly titled measures of other companies. Management believes that the presentation of Adjusted Gross Profit and Adjusted Gross Profit Percentage provides useful information to investors regarding our results of operations because it assists in analyzing the performance of our business.

The following table provides an unaudited reconciliation of gross profit to Adjusted Gross Profit and Adjusted Gross Profit Percentage:

<i>(in thousands)</i>	Three Months Ended March 31,	
	2020	2019
Revenue (A)	\$ 255,821	\$ 253,685
Gross profit (B)	\$ 106,190	\$ 103,331
Depreciation of rental equipment	45,948	41,103
Adjusted Gross Profit (C)	<u>\$ 152,138</u>	<u>\$ 144,434</u>
Gross Profit Percentage (B/A)	41.5 %	40.7 %
Adjusted Gross Profit Percentage (C/A)	59.5 %	56.9 %

#### Net CAPEX

We define Net CAPEX ("Net CAPEX") as purchases of rental equipment and refurbishments and purchases of property, plant and equipment (collectively, "Total Capital Expenditures"), less proceeds from sale of rental equipment and proceeds from the sale of property, plant and equipment (collectively, "Total Proceeds"), which are all included in cash flows from investing activities. Our management believes that the presentation of Net CAPEX provides useful information to investors regarding the net capital invested into our rental fleet and plant, property and equipment each year to assist in analyzing the performance of our business.

The following table provides unaudited reconciliations of Net CAPEX:

<i>(in thousands)</i>	Three Months Ended March 31,	
	2020	2019
Total Capital Expenditures	\$ 41,166	\$ 53,502
Total Proceeds	10,626	11,688
Net CAPEX	\$ 30,540	\$ 41,814

## Liquidity and Capital Resources

### Overview

WillScot is a holding company that derives all of its operating cash flow from its operating subsidiaries. Our principal sources of liquidity include cash generated by operating activities from our subsidiaries, borrowings under the ABL Facility, and sales of equity and debt securities. We believe that our liquidity sources and operating cash flows are sufficient to address our operating, debt service and capital requirements over the next twelve months.

Our consolidation strategy includes the pursuit of strategic acquisitions that we believe will add value to our existing business. We continue to review available acquisition opportunities with the awareness that any such acquisition may require us to incur additional debt to finance the acquisition and/or to issue shares of our Class A common stock or other equity securities as acquisition consideration or as part of an overall financing plan. In addition, we will continue to evaluate options to improve our liquidity, such as the issuance of additional unsecured and secured debt, equity securities and/or equity-linked securities. There can be no assurance as to the timing of any such issuance. If we obtain additional capital by issuing equity, the interests of our existing stockholders will be diluted. If we incur additional indebtedness, that indebtedness may contain significant financial and other covenants that may significantly restrict our operations. We cannot assure you that we could obtain refinancing or additional financing on favorable terms or at all. From time to time we may also seek to streamline our capital structure and improve our financial position through refinancing or restructuring our existing debt or retiring certain of our securities for cash or other consideration.

### ABL Facility

Borrowing availability under the ABL Facility is equal to the lesser of \$1.425 billion and the applicable borrowing bases (the "Line Cap"). At March 31, 2020, the Line Cap was \$1.412 billion. The borrowing bases are a function of, among other things, the value of the assets in the relevant collateral pool.

At March 31, 2020, we had \$505.8 million of available borrowing capacity under the ABL Facility, including \$378.8 million under the US ABL Facility and \$127.0 million under the Canadian ABL Facility.

### COVID-19 Impact on Liquidity

Although there is uncertainty related to the anticipated impact of the COVID-19 outbreak on the Company's future results, we believe our predictable lease revenue streams underpinned by long lease durations combined with recent steps we have taken to reduce costs and capital spending will result in a near-term increase in internally generated free cash flow. Further, the \$505.8 million of availability on our ABL provides additional liquidity if internally generated free cash flow becomes insufficient to meet our operating needs. We continue to manage all aspects of our business including, but not limited to, monitoring the financial health of our customers, suppliers and other third-party relationships, actively managing our cost structure, reducing or delaying capital spending, and developing new opportunities for growth. We believe that the actions we have taken in recent years to increase our scale and competitive position and strengthen our balance sheet have positioned us well to manage through this crisis as it continues to unfold.

### Cash Flow Comparison of the Three Months Ended March 31, 2020 and 2019

Significant factors driving our liquidity position include cash flows generated from operating activities and capital expenditures. Our ability to fund our capital needs will be affected by our ongoing ability to generate cash from operations and access to capital markets.

The following summarizes our change in cash and cash equivalents for the periods presented:

<i>(in thousands)</i>	Three Months Ended March 31,	
	2020	2019
Net cash from operating activities	\$ 38,348	\$ 15,256
Net cash from investing activities	(30,540)	(41,814)
Net cash from financing activities	(5,582)	30,294
Effect of exchange rate changes on cash and cash equivalents	(629)	85
Net change in cash and cash equivalents	\$ 1,597	\$ 3,821



### Cash Flows from Operating Activities

Cash provided by operating activities for the three months ended March 31, 2020 was \$38.3 million as compared to \$15.3 million for the three months ended March 31, 2019, an increase of \$23.0 million. The increase was due to an increase of \$10.5 million of net income, adjusted for non-cash items, in addition to an increase of \$12.6 million in the net movements of the operating assets and liabilities. The increase related to the net movements of operating assets and liabilities was attributable to a decrease in accounts receivable in the first three months of 2020, partially offset by an increase in accounts payable and prepaid and other assets.

### Cash Flows from Investing Activities

Cash used in investing activities for the three months ended March 31, 2020 was \$30.5 million as compared to \$41.8 million for the three months ended March 31, 2019, a decrease of \$11.3 million. The decrease in cash used in investing activities was driven by a \$12.3 million decrease in cash used for purchase of rental equipment and refurbishments and a \$3.7 increase in proceeds from sale of property, plant and equipment, offset by a \$4.8 million decrease in proceeds from the sale of rental equipment. Cash used for purchase of rental equipment and refurbishments decreased in the three months ended March 31, 2020 compared to 2019 as fleet was less constrained due to reduced utilization and the current period impact of prior year spend. Proceeds from sale of rental equipment decreased compared to the prior year due to lower sales demand.

### Cash Flows from Financing Activities

Cash used in financing activities for the three months ended March 31, 2020 was \$5.6 million as compared to \$30.3 million of cash provided by financing activities for the three months ended March 31, 2019, an increase of \$35.9 million. The increase is primarily due to an increase in \$37.1 million in repayment of borrowings, a decrease in receipts from borrowings of \$3.5 million, partially offset by an increase of \$4.6 million in receipts from issuance of common stock.

### Free Cash Flow

Free Cash Flow is a non-GAAP measure. We define Free Cash Flow as net cash provided by operating activities, less purchases of, and proceeds from, rental equipment and property, plant and equipment, which are all included in cash flows from investing activities. Management believes that the presentation of Free Cash Flow provides useful additional information concerning cash flow available to meet future debt service obligations and working capital requirements. The following table provides a reconciliation of net cash provided by operating activities to Free Cash Flow.

<i>(in thousands)</i>	Three Months Ended March 31,	
	2020	2019
Net cash provided by operating activities	\$ 38,348	\$ 15,256
Purchase of rental equipment and refurbishments	\$ (39,648)	(51,873)
Proceeds from sale of rental equipment	\$ 6,786	11,601
Purchase of property, plant and equipment	\$ (1,518)	(1,629)
Proceeds from the sale of property, plant and equipment	\$ 3,840	87
Free Cash Flow	\$ 7,808	\$ (26,558)

Free Cash Flow for the three months ended March 31, 2020 was an inflow of \$7.8 million as compared to an outflow of \$26.6 million for the three months ended March 31, 2019, an increase in Free Cash Flow of \$34.4 million. Free Cash Flow increased year over year principally a result of reinvesting the \$23.0 million increase in cash provided by operating activities and \$12.3 million decrease in cash used in the purchase of rental equipment and refurbishments. The \$38.3 million in cash provided by operating activities was reinvested into the business to support the purchase of rental equipment, including VAPS, and refurbishments, partially offset by the proceeds from the sale of rental equipment and property, plant and equipment.

### Contractual Obligations

Other than changes which occur in the normal course of business and those associated with the Mobile Mini merger, there were no significant changes to the contractual obligations reported in our 2019 Form 10-K for the three months ended March 31, 2020.

### Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements other than those associated with the Mobile Mini merger that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

## Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition, results of operations, liquidity and capital resources is based on our condensed consolidated financial statements, which have been prepared in accordance with GAAP. GAAP requires that we make estimates and judgments that affect the reported amount of assets, liabilities, revenue, expenses and the related disclosure of contingent assets and liabilities. We base these estimates on historical experience and on various other assumptions that we consider reasonable under the circumstances, and reevaluate our estimates and judgments as appropriate. The actual results experienced by us may differ materially and adversely from our estimates.

The US Securities and Exchange Commission (the "SEC") suggests companies provide additional disclosure on those accounting policies considered most critical. The SEC considers an accounting policy to be critical if it is important to our financial condition and results of operations and requires significant judgments and estimates on the part of management in its application. For a complete discussion of our significant critical accounting policies, see the "Critical Accounting Policies and Estimates" section in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

There were no significant changes to our critical accounting policies during the three months ended March 31, 2020.

## Recently Issued Accounting Standards

Refer to Part I, Item 1, Note 1 of the notes to our financial statements included in this Quarterly Report on Form 10-Q for our assessment of recently issued and adopted accounting standards.

## Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Act of 1934, as amended. The words "estimates," "expects," "anticipates," "believes," "forecasts," "plans," "intends," "may," "will," "should," "shall," "outlook," "guidance" and variations of these words and similar expressions identify forward-looking statements, which are generally not historical in nature and relate to expectations for future financial performance or business strategies or objectives.

Forward-looking statements are subject to a number of risks, uncertainties, assumptions and other important factors, many of which are outside our control, which could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. Although WillScot believes that these forward-looking statements are based on reasonable assumptions, it can give no assurance that any such forward-looking statement will materialize.

Important factors that may affect actual results or outcomes include, among others:

- our ability to effectively compete in the modular space and portable storage industry;
- changes in demand within a number of key industry end-markets and geographic regions;
- the effect of economic conditions in the industries and markets in which the Company operates and any changes therein, including financial market conditions, fluctuations in commodity prices, interest rates and foreign currency exchange rates, levels of end market demand in construction, the impact of weather conditions and natural disasters, the impact of the global pandemic related to COVID-19 and the financial condition of the Company's customers and suppliers;
- our ability to manage growth and execute our business plan;
- rising costs adversely affecting our profitability (including cost increases resulting from tariffs);
- effective management of our rental equipment;
- our ability to acquire and successfully integrate new operations and achieve desired synergies;
- the effect of changes in state building codes on our ability to remarket our buildings;
- our ability to effectively manage our credit risk, collect on our accounts receivable, or recover our rental equipment;
- foreign currency exchange rate exposure;
- our reliance on third party manufacturers and suppliers;
- risks associated with labor relations, labor costs and labor disruptions;
- failure to retain key personnel; and
- such other risks and uncertainties described in the periodic reports we file with the SEC from time to time (including our Annual Report on Form 10-K for the year ending December 31, 2019), which are available through the SEC's EDGAR system at [www.sec.gov](http://www.sec.gov) and on our website.

Any forward-looking statement speaks only at the date which it is made, and WillScot undertakes no obligation, and disclaims any obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

## ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to certain market risks from changes in foreign currency exchange rates and interest rates. Changes in these factors cause fluctuations in our earnings and cash flows. We evaluate and manage exposure to these market risks as follows:

### Interest Rate Risk

We are primarily exposed to interest rate risk through our ABL Facility, which bears interest at variable rates based on LIBOR. We had \$893.5 million in outstanding principal under the ABL Facility at March 31, 2020.

In order to manage this risk, On November 6, 2018, WSII entered into an interest rate swap agreement that effectively converts \$400.0 million in aggregate notional amount of variable-rate debt under our ABL Facility into fixed-rate debt. The swap agreement provides for WillScot to pay a fixed rate of 3.06% per annum on the outstanding debt in exchange for receiving a variable interest rate based on 1-month LIBOR. The effect is a synthetically fixed rate of 5.56% on the \$400.0 million notional amount, when including the current applicable margin.

An increase in interest rates by 100 basis points on our ABL Facility, inclusive of the impact of our interest rate swaps, would increase our quarter to date interest expense by approximately \$0.8 million.

### Foreign Currency Risk

We currently generate the majority of our consolidated net revenues in the US, and the reporting currency for our consolidated financial statements is the US dollar. As our net revenues and expenses generated outside of the US increase, our results of operations could be adversely impacted by changes in foreign currency exchange rates. Since we recognize foreign revenues in local foreign currencies, if the US dollar strengthens, it could have a negative impact on our foreign revenues upon translation of those results into the US dollar for consolidation into our financial statements.

In addition, we are exposed to gains and losses resulting from fluctuations in foreign currency exchange rates on transactions generated by our foreign subsidiaries in currencies other than their local currencies. These gains and losses are primarily driven by intercompany transactions and rental equipment purchases denominated in currencies other than the functional currency of the purchasing entity. These exposures are included in currency (gains) losses, net, on the condensed consolidated statements of operations.

To date, we have not entered into any hedging arrangements with respect to foreign currency risk.

## ITEM 4. Controls and Procedures

### Evaluation of Disclosure Controls and Procedures

Our management, with participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Exchange Act, as of March 31, 2020. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2020.

### Changes in Internal Controls

There were no changes in our internal control over financial reporting that occurred during our quarter ended March 31, 2020, that materially affected or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II

## ITEM 1. Legal Proceedings

As of March 31, 2020, there were no material pending legal proceedings in which we or any of our subsidiaries are a party or to which any of our property is subject.

## ITEM 1A. Risk Factors

The Company's financial position, results of operations and cash flows are subject to various risks, many of which are not exclusively within the Company's control, which may cause actual performance to differ materially from historical or projected future performance. In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in Item 1A. of our Annual Report on Form 10-K for the year ended December 31, 2019, which have not materially changed, except as noted below.

### ***Our operations may be adversely impacted as a result of COVID-19.***

On March 11, 2020, the World Health Organization designated the outbreak of COVID-19 as a global pandemic. Governments around the world have implemented quarantines and significant restrictions on travel as well as work restrictions that prohibit many employees from going to work. As millions of cases of COVID-19 have been confirmed around the world, we expect COVID-19 to interfere with general commercial activity related to our supply chain and customer base, which could have a material adverse effect on our business, financial condition, or results of operations. To the extent that COVID-19 continues or worsens, governments may impose additional restrictions or additional governments may impose restrictions. COVID-19 and those restrictions could result in additional businesses being shut down, additional work restrictions and supply chains being interrupted, slowed, or rendered inoperable. As a result, it may be challenging to obtain and process raw materials to support our business needs, we may need to recognize material charges in future periods for impairments of our rental equipment, property, plant, and equipment and/or intangible assets, and employees, suppliers or customers could become ill, quarantined or otherwise unable to work and/or travel due to health reasons or governmental restrictions. The COVID-19 global pandemic has affected, and may continue to affect, our industry and the industries in which our customers operate. There may be an adverse impact on our customer demand for our rentals, in particular in industries that are currently shut down and for special events. We also, have been, and will be adversely impacted by project delays, early returns of equipment currently on rent with customers and payment delay, or non-payment, by customers who are significantly impacted by COVID-19. If our customers' businesses continue to be affected, they might delay or reduce purchases from or payments to us, which could adversely affect our results of our business, financial condition or results of operations.

In addition, increased volatility and diminished expectations for the global economy, coupled with the prospect of decreased business and consumer confidence and increased unemployment resulting from the COVID-19 pandemic, may precipitate an economic slowdown and recession. If the economic climate deteriorates, our ability to continue to grow our business organically or through additional acquisitions and integration of acquired businesses, as well as the financial condition of customers, suppliers and lenders, could be adversely affected, resulting in a negative impact on the business, financial condition, results of operations and cash flows of each of our company. Additionally, concerns over the economic impact of the COVID-19 pandemic have caused extreme volatility in financial and capital markets, which has adversely impacted and may materially adversely impact our stock price and our ability to access capital markets.

The potential effects of COVID-19 also could impact many of our risk factors, discussed in Item 1A. of our Annual Report on Form 10-K for the year ended December 31, 2019 and in certain of our current and periodic reports filed with the SEC, including, but not limited to our exposure to operational, economic, political and regulator risks; risks related to global or local economic movements; changes in trade policies; and, labor disruptions. However, given the evolving health, economic, social, and governmental environments, the potential impact that COVID-19 could have on our risk factors that are further described in our 2019 Form 10-K and in certain of our current and periodic reports filed with the SEC, remains uncertain.

## ITEM 2. Unregistered Sales of Equity Securities

None.

## ITEM 3. Defaults Upon Senior Securities

None.

## ITEM 4. Mine Safety Disclosures

Not applicable.

## ITEM 5. Other Information

None.

## ITEM 6. Exhibits

Exhibit No.	Exhibit Description
2.1	* Agreement and Plan of Merger, dated as of March 1, 2020, by and among WillScot Corporation, Picasso Merger Sub, Inc. and Mobile Mini, Inc. (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K, filed March 5, 2020).
10.1	Employment Agreement, dated as of March 1, 2020, by and between WillScot Corporation and Bradley Soultz (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed March 5, 2020).
10.2	Employment Agreement, dated as of March 1, 2020, by and between WillScot Corporation and Kelly Williams (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K, filed March 5, 2020).
10.3	Employment Agreement, dated as of March 1, 2020, by and between WillScot Corporation and Timothy Boswell (incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K, filed March 5, 2020).
10.4	Employment Agreement, dated as of March 1, 2020, by and between WillScot Corporation and Christopher Miner (incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K, filed March 5, 2020).
10.5	Employment Agreement, dated as of March 1, 2020, by and between WillScot Corporation and Hezron Lopez (incorporated by reference to Exhibit 10.5 of the Company's Current Report on Form 8-K, filed March 5, 2020).
10.6	Second Amended and Restated Commitment Letter, dated as of May 5, 2020, by and among WillScot Corporation, Bank of America, N.A., BofA Securities Inc., Deutsche Bank AG New York Branch, Deutsche Bank Securities Inc., JPMorgan Chase Bank, N.A., ING Capital LLC and BBVA Securities Inc.
31.1	* Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	* Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	** Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	** Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

\*Filed herewith

\*\*Furnished (and not filed) herewith pursuant to Item 601(b)(32)(ii) of Regulation S-K under the Exchange Act

## Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

### **WillScot Corporation**

Dated: May 6, 2020

By: /s/ TIMOTHY D. BOSWELL

Timothy D. Boswell

*Chief Financial Officer (Principal Financial Officer)*

BANK OF AMERICA, N.A.  
BOFA SECURITIES, INC.  
One Bryant Park  
New York, New York 10036

ING CAPITAL LLC  
1133 Avenue of the Americas  
New York, New York 10036

DEUTSCHE BANK AG NEW YORK  
BRANCH  
DEUTSCHE BANK SECURITIES INC.  
60 Wall Street  
New York, New York 10005

BBVA USA  
1345 Avenue of the Americas,  
Floor 44  
New York, New York 10105

JPMORGAN CHASE  
BANK, N.A.  
383 Madison Avenue  
New York, NY 10179

CONFIDENTIAL  
May 5, 2020

WillScot Corporation  
901 S. Bond Street, Suite 600  
Baltimore, MD 21231-3357  
Attention: Timothy Boswell

Project CrossFit  
Second Amended and Restated Commitment Letter

Ladies and Gentlemen:

You have advised Bank of America, N.A. (together with its designated affiliates, "**Bank of America**"), BofA Securities, Inc. (together with its designated affiliates, "**BofA Securities**"), Deutsche Bank AG New York Branch ("**DBNY**"), Deutsche Bank Securities Inc. ("**DBSI**"), JPMorgan Chase Bank, N.A. (together with its designated affiliates, "**JPMCB**"), ING Capital LLC (together with its designated affiliates, "**ING**") and BBVA USA (together with its designated affiliates, "**BBVA USA**") and, together with Bank of America, BofA Securities, DBNY, DBSI, JPMCB and ING, "**we**" and "**us**" or the "**Commitment Parties**") that WillScot Corporation, a Delaware corporation ("**WS**" or "**you**"), intends to acquire all of the outstanding equity interests (the "**Acquisition**") of a company previously identified to us by you and referred to as "Monet" (the "**Company**"), and to consummate the other Transactions described in the Transaction Description attached hereto as **Exhibit A** (the "**Transaction Description**"). The Acquisition will be effected through a merger of a direct U.S. subsidiary ("**Merger Sub**") of WS with and into the Company, with the Company being the surviving corporation of the merger and, upon consummation of the merger, a direct, wholly-owned subsidiary of WS and, immediately following the merger, through a series of contributions, an indirect subsidiary of WS and a direct subsidiary of WS's indirect operating subsidiary, Williams Scotsman, Inc. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Transaction Description and the Summary of Principal Terms and Conditions attached hereto as **Exhibit B** (the "**ABL Facility Term Sheet**"; this second amended and restated commitment letter, the Transaction Description, the ABL Facility Term Sheet and the Summary of Conditions attached hereto as **Exhibit C**, collectively, the "**Second Amended and Restated Commitment Letter**"). For purposes of this Second Amended and Restated Commitment Letter, "JPMCB" shall mean JPMorgan Chase Bank, N.A. and/or any of its affiliates as JPMCB shall determine to be appropriate to provide the services contemplated herein.

This Second Amended and Restated Commitment Letter amends and restates in its entirety that certain Amended and Restated Commitment Letter executed by Bank of America, BofA Securities, DBNY, DBSI, JPMCB, ING and you (the “**Amended and Restated Commitment Letter**”), dated March 24, 2020 and that certain Commitment Letter executed by Bank of America, BofA Securities, DBNY, DBSI, JPMCB and you (the “**Original Commitment Letter**”), dated March 1, 2020 (the “**Original Execution Date**”). The Amended and Restated Commitment Letter and the Original Commitment Letter are automatically superseded as of the date hereof without the need for any further notice.

## 1. Commitments.

In connection with the Transactions, (A) Bank of America is pleased to advise you of its commitment to provide (on a several but not joint basis) 28 49/72% of the aggregate principal amount of the ABL Facility, (B) DBNY is pleased to advise you of its commitment to provide (on a several but not joint basis) 28 49/72% of the aggregate principal amount of the ABL Facility, (C) JPMCB is pleased to advise you of its commitment to provide (on a several but not joint basis) 28 49/72% of the aggregate principal amount of the ABL Facility, (D) ING is pleased to advise you of its commitment to provide (on a several but not joint basis) 8 24/72% of the aggregate principal amount of the ABL Facility and (E) BBVA USA is pleased to advise you of its commitment to provide (on a several but not joint basis) 5 45/72% of the aggregate principal amount of the ABL Facility, in each case, subject only to the satisfaction of the conditions set forth in the section entitled “Conditions to Initial Borrowings” in Exhibit B hereto (limited on the Closing Date (as defined below) as indicated therein) (each initial lender of the ABL Facility, an “**Initial Lender**”; and collectively the “**Initial Lenders**”).

## 2. Titles and Roles.

It is agreed that (i) BofA Securities, DBSI, JPMCB, ING and BBVA USA will act as joint lead arrangers and joint bookrunners for the ABL Facility (together with any other lead arrangers and bookrunners appointed pursuant to the Designation Right, the “**ABL Lead Arrangers**” and each an “**ABL Lead Arranger**”) and (ii) Bank of America will act as administrative agent and collateral agent (in such capacity, the “**ABL Administrative Agent**”) for the ABL Facility. It is further agreed that in any Information Materials (as defined below) and all other offering or marketing materials in respect of the ABL Facility, BofA Securities shall have “left side” designation and shall appear on the top left and shall hold the leading role and responsibility customarily associated with such “top left” placement. You agree that no other agents, co-agents, arrangers or bookrunners will be appointed, no other titles will be awarded and no compensation (other than compensation expressly contemplated by this Second Amended and Restated Commitment Letter and the Second Amended and Restated Fee Letter referred to below) will be paid to any Lender (as defined below) in order to obtain its commitment to participate in the ABL Facility unless you and we shall so agree, **provided** that you have the right (the “**Designation Right**”) at any time, on or prior to the date which is twenty business days after the Original Execution Date (or such later date as may be agreed between the Commitment Parties and you), to appoint additional joint lead arrangers and/or joint bookrunners (the “**Additional Arrangers**”) for the ABL Facility, and award such Additional Arrangers additional agent, co-agent, manager or co-manager titles (the “**Additional Agents**” and, together with the Additional Arrangers, the “**Additional Commitment Parties**”), with such Additional Commitment Parties being allocated commitments for the ABL Facility to be determined by you, but not to exceed in the aggregate 21.0417% of the aggregate commitments in respect of the ABL Facility and that are equal to the proportion of the economics allocated to such Additional Commitment Parties (or their affiliates) (it being understood that no Additional Arranger shall have greater economics than each of BofA Securities, DBSI and JPMCB, individually, and, to the extent you appoint an Additional Arranger or confer other titles in respect of the ABL Facility, the economics allocated to, and the commitment amounts of, the initial ABL Lead Arrangers party hereto (other than ING and BBVA USA) as of the date hereof in respect of the ABL Facility will be proportionately reduced by the amount

of the economics allocated to, and the commitment amount of, such Additional Arranger (or its affiliate), in each case, upon the execution by such Additional Arranger of customary joinder documentation (which may be in the form of an amendment and restatement of the Second Amended and Restated Commitment Letter) and, thereafter, each such Additional Arranger shall constitute a “Commitment Party”, and/or a “ABL Lead Arranger”, as applicable, hereunder and its or its relevant affiliate providing such commitment shall constitute an “Initial Lender” hereunder and under the Second Amended and Restated Fee Letter).

### 3. Syndication.

The ABL Lead Arrangers reserve the right, prior to or after the Closing Date, to syndicate all or a portion of the Initial Lenders’ respective commitments for the ABL Facility hereunder to a group of banks, financial institutions and other institutional lenders and investors (together with the Initial Lenders, the “**Lenders**”) identified by the ABL Lead Arrangers in consultation with you and reasonably acceptable to the ABL Lead Arrangers and you (your consent not to be unreasonably conditioned, withheld or delayed). Notwithstanding the foregoing, the ABL Lead Arrangers will not syndicate or otherwise assign any of their respective commitments to:

(i) those banks, financial institutions and other institutional lenders and investors that have been separately identified in writing by you (or your affiliates) to us on or prior to the date hereof,

(ii) those persons who are competitors of WS or the Company and their respective subsidiaries that are separately identified in writing by you (or your affiliates) to us or, after the Closing Date, to the ABL Administrative Agent from time to time (which shall not apply to retroactively disqualify any person who previously acquired in a manner permitted hereunder and under the ABL Facility, and continues to hold, any loans or commitments in respect of the ABL Facility), and

(iii) in the case of each of **clauses (i) and (ii)**, any of their affiliates (excluding, in the case of **clause (ii)**, bona fide debt fund affiliates predominantly engaged in the business of debt investing and for which no personnel involved with the relevant competitor (A) make investment decisions or (B) have access to non-public information relating to WS or the Company or any person that forms part of WS’ or the Company’s business (including their respective subsidiaries)) that are either (a) identified in writing by you (or your affiliates) from time to time (which shall not apply to retroactively disqualify any person who previously acquired in a manner permitted hereunder and under the ABL Facility, and continues to hold, any loans or commitments in respect of the ABL Facility) or (b) reasonably identifiable on the basis of such affiliate’s name

(**clauses (i), (ii) and (iii)**) above, collectively “**ABL Disqualified Lenders**” or “**Disqualified Lenders**” ) and no ABL Disqualified Lender may become a Lender with respect to any loans or commitments under the ABL Facility.

Notwithstanding the ABL Lead Arrangers’ right to syndicate the ABL Facility and receive commitments with respect thereto (but subject to your Designation Right),

(i) except as provided in Section 2 in respect of Additional Arrangers, no Initial Lender shall be relieved, released or novated from its obligations hereunder (including its obligation to fund the ABL Facility on the date of both the consummation of the Acquisition and the date of the initial funding under the ABL Facility (the date of such consummation and initial funding of the ABL Facility, the “**Closing Date**”)) in connection with any syndication,

assignment or participation of the ABL Facility, including its commitments in respect thereof, until after the initial funding of the ABL Facility on the Closing Date has occurred,

(ii) except as provided in Section 2 in respect of Additional Arrangers, no assignment or novation by any Initial Lender shall become effective with respect to all or any portion of any Initial Lender's commitments in respect of the ABL Facility until the initial funding of the ABL Facility, and

(iii) unless you otherwise agree in writing, each Initial Lender shall retain exclusive control over all rights and obligations with respect to its commitments in respect of the ABL Facility, including all rights with respect to consents, modifications, supplements, waivers and amendments, until the Closing Date has occurred.

Without limiting your obligations to assist with syndication efforts as set forth herein, it is understood that the Initial Lenders' commitments hereunder are not conditioned upon the syndication of, or receipt of commitments in respect of, the ABL Facility and in no event shall the commencement or successful completion of syndication of the ABL Facility constitute a condition to the availability or funding of the ABL Facility on the Closing Date or thereafter. The ABL Lead Arrangers may commence syndication efforts promptly after the Original Execution Date and as part of their syndication efforts, it is their intent to have Lenders commit to the ABL Facility prior to the Closing Date (subject to the limitations set forth in the preceding paragraph). Until the earlier of (x) the date upon which a Successful Syndication (as defined in the Second Amended and Restated Fee Letter) is achieved and (y) the day that is 45 days following the Closing Date (the "**Syndication Date**"), you agree to assist the ABL Lead Arrangers in seeking to complete a timely syndication that is reasonably satisfactory to us and you. Such assistance shall be limited to:

(a) your using commercially reasonable efforts to ensure that any syndication efforts benefit from your existing lending and investment banking relationships and, to the extent practical and appropriate and in all instances as expressly provided pursuant to the terms of the Acquisition Agreement, the Company's and its subsidiaries' existing lending and investment banking relationships,

(b) direct contact between appropriate members of senior management, certain relevant non-legal representatives and certain relevant non-legal advisors of you and the proposed Lenders (and your using commercially reasonable efforts to arrange, to the extent practical and appropriate and in all instances as expressly provided pursuant to the terms of the Acquisition Agreement, such contact between appropriate members of senior management and certain relevant non-legal representatives and certain relevant non-legal advisors of the Company, on the one hand, and the proposed Lenders, on the other hand) in all such cases at locations and times mutually agreed upon,

(c) your assistance (including, to the extent practical and appropriate and in all instances as expressly provided pursuant to the terms of the Acquisition Agreement, the use of commercially reasonable efforts to cause the Company to assist) in the preparation of the Information Materials and other customary marketing materials to be used in connection with the syndication of the ABL Facility, all of which shall be in a form and substance consistent with Information Materials and marketing materials used in recent transactions by you or your affiliates,

(d) the hosting, with the ABL Lead Arrangers, of one meeting (or, if reasonably acceptable to you, one or more telephone, video or other electronic conferences) with prospective

Lenders at a reasonable time and location to be mutually agreed upon (and your using commercially reasonable efforts, to the extent practical and appropriate and in all instances as expressly provided pursuant to the terms of the Acquisition Agreement, to cause the appropriate senior officers of the Company to be available for such meetings),

(e) at any time prior to the Syndication Date, there being no competing issues, offerings, placements or arrangements of debt securities or commercial bank or other credit facilities by or on behalf of Holdings, you or any of your or its subsidiaries being offered, placed or arranged (other than (x) the ABL Facility, (y) those certain Notes to be issued by the Administrative Borrower or one of its subsidiaries and marketed by the Managers (as defined in the referenced Second Amended and Restated Engagement Letter) on a best efforts basis subject to the terms of that certain Second Amended and Restated Engagement Letter (the “**Second Amended and Restated Engagement Letter**”) dated as of the date hereof among you and such Managers (the “**Notes**”), and (z) any indebtedness of you or your subsidiaries that is permitted to be incurred, issued or remain outstanding on or prior to the Closing Date under the Acquisition Agreement, including but not limited to the Existing WS Notes (as defined below) or any tender offer or consent solicitation with respect thereto) without the consent of the ABL Lead Arrangers, if such issuance, offering, placement or arrangement would materially impair the primary syndication of the ABL Facility or the placement of the Notes (it being understood and agreed that your and your subsidiaries’ deferred purchase price obligations and ordinary course capital lease, purchase money and equipment financings will be deemed to not materially impair the primary syndication of the ABL Facility or the placement of the Notes),

(f) at any time prior to the Syndication Date, using your commercially reasonable efforts, to the extent practical and appropriate and in all instances only as expressly provided pursuant to the terms of the Acquisition Agreement, to ensure that there are no competing issues, offerings, placements or arrangements of debt securities or commercial bank or other credit facilities by or on behalf of the Company and its subsidiaries being offered, placed or arranged (other than (x) the ABL Facility, (y) the Notes and (z) any Indebtedness of the Company and its subsidiaries permitted to be incurred, issued or remain outstanding on or prior to the Closing Date under the Acquisition Agreement, including but not limited to the Existing Company Notes (as defined below) or any tender offer or consent solicitation with respect thereto) without the consent of the ABL Lead Arrangers, if such issuance, offering, placement or arrangement would materially impair the primary syndication of the ABL Facility or the placement of the Notes (it being understood and agreed that the Company and its subsidiaries’ deferred purchase price obligations and ordinary course capital lease, purchase money and equipment financings, in each case, will be deemed to not materially impair the primary syndication of the ABL Facility or the placement of the Notes), and

(g) to the extent practical and appropriate and, in the case of the Company and its subsidiaries, as expressly provided pursuant to the terms of the Acquisition Agreement, using commercially reasonable efforts to (I) deliver the field examination and equipment appraisal prepared pursuant to the terms of the Existing WS Credit Agreement and the Existing Company Credit Agreement (each, as defined in Exhibit A) with respect to the assets of WS, the Company and your and its subsidiaries to be included in the Borrowing Base (as defined in Exhibit B) (and the ABL Lead Arrangers hereby acknowledge that they have received (w) a completed equipment appraisal with respect to WS dated January 16, 2020, (x) a completed equipment appraisal with respect to the Company and its subsidiaries dated January 22, 2020 and (y) a completed field exam with respect to WS dated January 15, 2020 and (z) a completed field exam with respect to the Company completed September 16, 2019 (collectively, the “**Existing Appraisals and Field Exams**”), which satisfies the foregoing field examination and equipment appraisal provision to

the extent that the Closing Date occurs on or prior to July 31, 2020) and (II) provide to the ABL Administrative Agent, to the extent available after the Original Execution Date, any field exams and appraisals delivered to the applicable lenders pursuant to the terms of the Existing WS Credit Agreement, and the Existing Company Credit Agreement after the Original Execution Date (such new appraisals and field examinations delivered pursuant to the Existing WS Credit Agreement, the “**New WS Appraisals and Field Exams**” and such new appraisals and field examinations delivered pursuant to the Existing Company Credit Agreement, the “**New Company Appraisals and Field Exams**” and each a “**New Appraisal and Field Exam**” and collectively, the “**New Appraisals and Field Exams**”).

Notwithstanding anything to the contrary contained in this Second Amended and Restated Commitment Letter or the Second Amended and Restated Fee Letter or any other letter agreement or undertaking concerning the financing of the Transactions to the contrary,

(i) your obligations to assist in syndication efforts as provided herein (including compliance with any of the provisions set forth in **clauses (a) through (g)** above),

(ii) the syndication of, or receipt of commitments in respect of, the ABL Facility, and

(iii) the commencement or successful completion of the syndication of the ABL Facility, in each case, shall not constitute a condition to the commitments hereunder or the funding of the ABL Facility on the Closing Date or thereafter.

The ABL Lead Arrangers, in their capacities as such, will manage, in consultation with you, all aspects of any syndication of the ABL Facility, including decisions as to the selection of institutions acceptable to you (your consent not to be unreasonably conditioned, withheld or delayed) to be approached and when they will be approached, when their commitments will be accepted, which institutions will participate (subject to (i) your consent rights set forth in this **Section 3** and excluding Disqualified Lenders and (ii) your rights to appoint Additional Commitment Parties as set forth under **Section 2** of this Second Amended and Restated Commitment Letter), the allocation of the commitments among the Lenders and the amount and distribution of fees among the Lenders. To assist the ABL Lead Arrangers in their syndication efforts, you agree to promptly prepare and provide (and to use commercially reasonable efforts, to the extent practical and appropriate and in all instances as expressly provided pursuant to the terms of the Acquisition Agreement, to cause the Company to provide) to the ABL Lead Arrangers all customary information that is reasonably available to you with respect to you, the Borrowers, the Company and your and their respective subsidiaries and the Transactions set forth in **clause (c)** of the preceding paragraph, the historical financial information required to be provided in accordance with **paragraph 9** of **Exhibit C** hereto and customary financial estimates, forecasts and other projections (such projections, the “**Projections**”), as the ABL Lead Arrangers may reasonably request in connection with the structuring, arrangement and syndication of the ABL Facility. For the avoidance of doubt, you will not be required to provide any information (including pursuant to any other terms of this Second Amended and Restated Commitment Letter) to the extent that the provision thereof would violate any law, rule or regulation, or any obligation of confidentiality binding upon, or waive any attorney-client privilege of, you, the Company or your or its respective subsidiaries and affiliates; **provided** that in the event that you do not provide information in reliance on this sentence, you shall, if permitted to do so, provide notice to the ABL Lead Arrangers that such information is being withheld and you shall use your commercially reasonable efforts to communicate the applicable information in a way that would not violate the applicable obligation or risk waiver of such privilege; **provided further** that none of the foregoing shall be construed to limit any of the Borrowers’ representations and warranties set forth in this Second Amended and Restated Commitment Letter or the ABL Facility Documentation. Your obligations under this Second Amended and Restated Commitment Letter to use commercially reasonable efforts to

cause the Company or its management to take (or to refrain from taking) any action is subject to the terms of the Acquisition Agreement and will not require you, under any circumstances, to take any action that is not practical, appropriate or reasonable in light of the circumstances or is in contravention of the terms of the Acquisition Agreement, including terminating the Acquisition Agreement. Notwithstanding anything herein to the contrary (x) the only financial statements that shall be required to be provided to the Commitment Parties in connection with the syndication of the ABL Facility shall be those required to be delivered pursuant to **paragraphs 8 and 9 of Exhibit C** and (y) the provision of other information contemplated by this paragraph shall not constitute a condition to the commitments hereunder or the funding of the ABL Facility on the Closing Date or thereafter.

You hereby acknowledge that (a) the ABL Lead Arrangers will make available Information (as defined below), Projections and other offering and marketing materials and presentations, including confidential information memoranda customary for transactions of this type to be used in connection with the syndication of the ABL Facility (collectively, the “**Information Memoranda**”) (such Information, Projections, other customary marketing material and the Information Memoranda, collectively, with the ABL Facility Term Sheet, the “**Information Materials**”) on a confidential basis to the proposed syndicate of Lenders by posting the Information Materials on Intralinks, Debt X, SyndTrak Online or by similar electronic means and (b) certain of the Lenders may be “public side” Lenders (i.e. Lenders that wish to receive only information that (i) is publicly available or (ii) is not material non-public information (“**MNPI**”) with respect to you, the Company and your or its respective subsidiaries or your or their respective securities for purposes of United States, Canadian and U.K. federal, state or provincial securities laws) (collectively, the “**Public Sider Information**”; and each such Lender, a “**Public Sider**” and each Lender that is not a Public Sider, a “**Private Sider**”). In arranging and syndicating the ABL Facility, each of the Commitment Parties shall be entitled to use and rely upon the information contained in the Information Materials without responsibility for independent verification thereof and does not assume responsibility for the accuracy or completeness of the Information Materials.

At the reasonable request of the ABL Lead Arrangers, you agree to assist (and to use commercially reasonable efforts, to the extent practical and appropriate and in all instances as expressly provided pursuant to the terms of the Acquisition Agreement, to cause the Company to assist) us in preparing an additional version of the Information Materials to be used in connection with the syndication of the ABL Facility that consists exclusively of information that is Public Sider Information with respect to you, the Company and your or its respective subsidiaries and your or their respective securities for the purposes of United States, Canadian and U.K. federal, state or provincial securities laws to be used by Public Siders. It is understood that in connection with your assistance described above, customary authorization letters will be included in any Information Materials that authorize the distribution thereof to prospective Lenders, represent that the additional version of the Information Materials includes only Public Sider Information and does not include MNPI (other than Information about the ABL Facility and the Transactions) and contain a customary “10b-5” representation consistent with the representations set forth in Section 4 hereof but which, for the avoidance of doubt, shall not contain any knowledge qualifier or supplementation provisions. The Information Memoranda described above will contain customary language exculpating you, the Company and your and their respective affiliates and us and our affiliates with respect to any liability related to the use or misuse of the contents of the Information Materials or related marketing materials by the recipients thereof (provided that such exculpation of you, the Company and your and their respective affiliates shall not impact the Commitment Parties’ right to indemnification hereunder). Before distribution of any Information Materials, you agree to identify that portion of the Information Materials that may be distributed to the Public Siders as “Public Information”, which, at a minimum, shall mean that the word “PUBLIC” shall appear prominently on the first page thereof. By marking Information Materials as “PUBLIC”, you shall be deemed to have authorized the Commitment Parties and the proposed Lenders to treat such Information Materials as not containing any information other than Public Sider Information (subject to the confidentiality and other provisions of this Second

Amended and Restated Commitment Letter) (it being understood that you shall not be obligated to mark any information as “PUBLIC”). We will not make any Information Materials not marked “PUBLIC” available to Public Siders except as contemplated in the succeeding paragraph.

You acknowledge and agree that, subject to the confidentiality and other provisions of this Second Amended and Restated Commitment Letter, the following documents may be distributed to both Private Siders and Public Siders, unless you advise the ABL Lead Arrangers in writing (including by email) within a reasonable time prior to their intended distribution that such materials contain information that is not Public Sider Information (provided that such materials have been provided to you and your counsel for review within a reasonable period of time prior thereto): (a) administrative materials prepared by the ABL Lead Arrangers for prospective Lenders (such as a lender meeting invitation, bank allocation, if any, and funding and closing memoranda), (b) term sheets and notification of changes in the ABL Facility’s terms and conditions, (c) drafts and final versions of the ABL Facility Documentation and (d) publicly filed financial statements of you, the Company or your or their respective subsidiaries. If you advise us in writing (including by email), within a reasonable period of time prior to dissemination, that any of the foregoing contains information that is not Public Sider Information, then Public Siders will not receive such materials without your consent.

#### 4. Information.

You hereby represent and warrant that (with respect to Information and Projections relating to the Company and its subsidiaries and its and their respective businesses, to your knowledge):

(a) all written information and written data (such information and data, other than (i) third party reports (but not the Information upon which such memos or reports are based on to the extent otherwise made available to the Commitment Parties), (ii) the Projections, (iii) forward looking information and (iv) information of a general economic or industry specific nature, the “**Information**”), that has been or will be made available to any Commitment Party by you or any of your representatives on your behalf in connection with the transactions contemplated hereby, when taken as a whole, is or will be, when furnished, correct in all material respects and does not or will not, when furnished and when taken as a whole, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made (after giving effect to all supplements and updates thereto), and

(b) the Projections and other forward looking information contained in the Information Memoranda have been or will be prepared in good faith based upon assumptions that are believed by you to be reasonable at the time such Projections are so furnished to the Commitment Parties; it being understood that the Projections are as to future events and are not to be viewed as facts, the Projections are (i) subject to significant uncertainties and contingencies, many of which are beyond your or the Company’s control, that no assurance can be given that any such Projections will be realized and that actual results during the period or periods covered by any such Projections may differ significantly from the projected results and such differences may be material and (ii) not a guarantee of performance.

You agree that, if at any time prior to the later of the Closing Date and the Syndication Date, you become aware that any of the representations and warranties in the preceding sentence would be incorrect in any material respect (to your knowledge insofar as it applies to the Information and Projections and other forward looking information relating to the Company and its subsidiaries and its and their respective businesses) if the Information and the Projections and other forward looking information contained in the Information Memoranda were being furnished, and such representations were being made, at such time,

then you will (or prior to the Closing Date, with respect to the Information and such Projections and other forward looking information relating to the Company and its subsidiaries, will use commercially reasonable efforts to) promptly supplement the Information and such Projections and other forward looking information such that (with respect to Information and Projections and other forward looking information relating to the Company and its subsidiaries and its and their respective businesses, to your knowledge) such representations and warranties are correct in all material respects under those circumstances, it being understood, in each case, that such supplementation shall cure any breach of such representations and warranties. In conducting the transactions hereunder, each of the Commitment Parties will be entitled to use and rely primarily on the Information and the Projections contained in the Information Memoranda without responsibility for independent verification thereof. The accuracy of the foregoing representations and warranties, whether or not cured, shall not be a condition to the commitments and obligations of the Initial Lenders hereunder or the funding of the ABL Facility on the Closing Date or thereafter.

#### 5. **Fees.**

As consideration for (i) the commitments of the Initial Lenders hereunder and (ii) the agreements of the ABL Lead Arrangers and the Initial Lenders to perform the services described herein, you agree to pay (or cause to be paid) the fees set forth in the ABL Facility Term Sheet and in the Second Amended and Restated Fee Letter dated the date hereof and delivered herewith with respect to the ABL Facility (the "**Second Amended and Restated Fee Letter**"), which amends and restates the amended and restated fee letter dated as of March 24, 2020 (the "**Amended and Restated Fee Letter**"), and the fee letter dated as of the Original Execution Date (the "**Original Fee Letter**"), if and to the extent payable. Once paid, such fees shall not be refundable except as otherwise agreed in writing by us and you or expressly set forth herein or therein.

#### 6. **Conditions.**

The commitments of the Initial Lenders hereunder to fund the ABL Facility on the Closing Date and the agreements of the ABL Lead Arrangers to perform the services described herein are subject solely to the conditions set forth in the section entitled "Conditions to Initial Borrowing" in **Exhibit B** and upon satisfaction (or waiver by the Initial Lenders) of such conditions, the ABL Administrative Agent and the Initial Lenders shall execute and deliver the ABL Facility Documentation and the initial funding of the ABL Facility shall occur; it being understood and agreed that there are no other conditions (implied or otherwise) to the commitments hereunder, including compliance with the terms of this Second Amended and Restated Commitment Letter, the Second Amended and Restated Fee Letter and the ABL Facility Documentation.

Notwithstanding anything in this Second Amended and Restated Commitment Letter (including each of the exhibits attached hereto), the Second Amended and Restated Fee Letter, the ABL Facility Documentation or any other letter agreement or other undertaking concerning the financing of the Transactions to the contrary,

(i) the only representations and warranties the accuracy of which shall be a condition to the availability and funding of the ABL Facility on the Closing Date shall be (A) such of the representations made by, or with respect to, the Company and its subsidiaries in the Acquisition Agreement as are material to the interests of the Lenders, but only to the extent that you (or your affiliates) have the right (taking into account any applicable cure provisions) to terminate your (or their) obligations under the Acquisition Agreement as a result of a breach of such representations in the Acquisition Agreement or to decline to consummate the Acquisition (in accordance with the terms of the Acquisition Agreement) (to such extent, the "**Specified Acquisition Agreement**

**Representations**”) and (B) the Specified Representations (as defined below) made in the ABL Facility Documentation, and

(ii) the terms of the ABL Facility Documentation and any closing deliverables shall be subject to the ABL Facility Documentation Principles and be in a form such that they do not impair the availability or funding of the ABL Facility on the Closing Date if the conditions set forth in the section entitled “Conditions to Initial Borrowing” in **Exhibit B** hereto are satisfied (or waived by the Initial Lenders) it being understood that, to the extent any security interest in any Collateral (as defined in the ABL Facility Term Sheet) is not or cannot be provided and/or perfected on the Closing Date (other than (1) the pledge and perfection of the security interest in the certificated equity interests of the Administrative Borrower (to the extent required by **Exhibits B** and **C**) and (2) other assets pursuant to which a lien may be perfected solely by the filing of a financing statement under the Uniform Commercial Code or Personal Property Security Act or other applicable law) after your use of commercially reasonable efforts to do so or without undue burden or expense, then the provision and/or perfection of a security interest in such Collateral shall not constitute a condition to the availability of the ABL Facility on the Closing Date, but instead shall be required to be delivered or perfected after the Closing Date pursuant to arrangements and timing of at least 90 days (or such longer period as may be mutually agreed by the Administrative Borrower and the ABL Administrative Agent; **provided** that any certificated equity interests of the Administrative Borrower required to be delivered pursuant hereto and not delivered on the Closing Date shall be required to be delivered within five business days after the Closing Date or such longer period as may be mutually agreed by the Administrative Borrower and the ABL Administrative Agent) to be mutually agreed by the ABL Administrative Agent (acting reasonably and without any requirement for consent of the applicable Lenders) and the Administrative Borrower (acting reasonably).

For purposes hereof, “**Specified Representations**” means the representations and warranties of or made by Holdings, the Borrowers and the other Guarantors to be set forth in the ABL Facility Documentation, as applicable, relating to organizational status of Holdings, the Borrowers and the other Guarantors; power and authority, due authorization, execution and delivery and enforceability, in each case related to the borrowing under, guaranteeing under, performance of, and granting of security interests in the Collateral pursuant to, the ABL Facility Documentation; no conflict with the organizational documents of Holdings, the Borrowers and other Guarantors and, to the extent outstanding, the Existing WS Notes; solvency (to be defined in a manner consistent with the manner in which solvency is determined in the solvency certificate to be delivered pursuant to paragraph 7 of Exhibit C hereto) as of the Closing Date (after giving effect to the Transactions) of the Borrowers and their subsidiaries on a consolidated basis; Federal Reserve margin regulations; the Investment Company Act; the Patriot Act; the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada); the use of proceeds of the Loans not violating OFAC, economic sanctions imposed by the Government of Canada, the FCPA, the Corruption of Foreign Public Officials Act (Canada) or other similar laws; and subject to the parenthetical in the immediately preceding sentence and limitations set forth in the ABL Facility Term Sheet, creation, validity and perfection of security interests in the Collateral (subject in all respects to customary permitted liens and the foregoing provisions of this Section). This **Section 6**, and the provisions herein, shall be referred to as the “**Certain Funds Provisions**”. Notwithstanding anything to the contrary contained herein, if any of the Specified Representations and/or Specified Acquisition Agreement Representations are qualified or subject to “material adverse effect”, the definition of “Company Material Adverse Effect” in the Acquisition Agreement shall apply for the purposes of any such representation and warranty made, or to be made, on or as of the Closing Date.

## 7. **Indemnity.**

To induce the Commitment Parties to enter into this Second Amended and Restated Commitment Letter and the Second Amended and Restated Fee Letter and to proceed with the documentation of the ABL Facility, you agree:

(a) to indemnify and hold harmless each Commitment Party, its respective affiliates and the respective officers, directors, employees, agents, advisors and other representatives involved in the Transactions and the successors of each of the foregoing, it being understood that in no event will this indemnity apply to any Commitment Party or its affiliates in their capacity as financial advisors to you or the Company or any of your or its affiliates in connection with the Acquisition or any other potential acquisition of the Company (each, an “**Indemnified Person**”), from and against any and all losses, claims, damages and liabilities (collectively, “**Losses**”) of any kind or nature and reasonable and documented, invoiced out-of-pocket fees and expenses (limited in the case of legal fees and expenses, as set forth below), joint or several, to which any such Indemnified Person may become subject to the extent arising out of, resulting from or in connection with this Second Amended and Restated Commitment Letter (including the ABL Facility Term Sheet), the Second Amended and Restated Fee Letter, the Transactions or any related transaction contemplated hereby, the ABL Facility, or any use of the proceeds thereof (including, without limitation, any claim, litigation, investigation or proceeding (including any inquiry or investigation) relating thereto (each, a “**Proceeding**”), regardless of whether any such Indemnified Person is a party thereto, whether or not such Proceedings are brought by or against you, your equity holders, affiliates, creditors or any other third person, and to reimburse each such Indemnified Person within 30 days after receipt of a written request, together with reasonably detailed backup documentation, for any reasonable and documented, invoiced out-of-pocket legal fees and expenses (in each case, excluding the allocated costs of in-house counsel) of one firm of counsel for all such Indemnified Persons, taken as a whole and, if necessary, of a single firm of local counsel in each material jurisdiction (which may include a single special counsel acting in multiple jurisdictions), but no other third party advisors without your prior written consent and, solely in the case of an actual or potential conflict of interest where the Indemnified Person similarly affected by such conflict notifies you of the existence of such conflict and thereafter retains its own counsel, by such other one firm of counsel for such affected Indemnified Person and, if necessary, of a single firm of local counsel in each material jurisdiction (which may include a single special counsel acting in multiple jurisdictions), but no other third party advisors without your prior written consent; **provided** that the foregoing indemnity will not, as to any Indemnified Person, apply to Losses or related expenses to the extent that they have resulted from:

(i) the willful misconduct, bad faith or gross negligence of such Indemnified Person or any of such Indemnified Person’s controlled affiliates or any of its or their respective officers, directors, employees or agents or, to the extent acting at such Indemnified Person’s direction, advisors or other representatives (as determined by a court of competent jurisdiction in a final and non-appealable decision),

(ii) a material breach of the obligations under this Second Amended and Restated Commitment Letter of such Indemnified Person or any of such Indemnified Person’s controlled affiliates or any of its or their respective officers, directors, employees or agents or, to the extent acting at such Indemnified Person’s direction, advisors or other representatives (as determined by a court of competent jurisdiction in a final and non-appealable decision), or

(iii) any Proceeding (other than a Proceeding against the ABL Administrative Agent or an ABL Lead Arranger acting pursuant to this Second Amended and Restated Commitment Letter of the ABL Facility documentation in its capacity as such or of any of its affiliates or its or their respective officers, directors, employees, agents, advisors and other representatives and the successors of each of the foregoing, in each case, solely to the extent such affiliates, officers, directors, employees, agents, advisors, other representatives and successors are acting for or on

behalf of the ABL Administrative Agent or an ABL Lead Arranger in its capacity as such, but subject to **clauses (i)** and **(ii)** above) solely between or among Indemnified Persons not arising from any act or omission by you or any of your affiliates, and

(b) subject to the proviso at the end of this sentence, if the Closing Date occurs, to reimburse each Commitment Party from time to time, upon presentation of a summary statement, for all reasonable and documented, invoiced out-of-pocket expenses (including, but not limited to, out-of-pocket expenses of each Commitment Party's due diligence investigation, consultants' fees (to the extent any such consultant has been retained with your prior written consent (such consent not to be unreasonably conditioned, withheld or delayed)), syndication expenses, travel expenses and reasonable fees, disbursements and other charges of a single firm of counsel to the Commitment Parties identified in the ABL Facility Term Sheet and, if necessary, of a single firm of local counsel to the Commitment Parties in each material jurisdiction (which may include a single firm of special counsel acting in multiple jurisdictions)), in each case incurred in connection with the ABL Facility and the preparation, negotiation and enforcement of this Second Amended and Restated Commitment Letter, the Second Amended and Restated Fee Letter, the ABL Facility Documentation and any security arrangements in connection therewith (collectively, the "**Expenses**").

You acknowledge that we may receive a benefit, including without limitation, a discount, credit or other accommodation, from any of such counsel based on the fees such counsel may receive on account of their relationship with us including, without limitation, fees paid pursuant hereto. The foregoing provisions in this paragraph shall be superseded in each case, to the extent covered thereby, by the applicable provisions contained in the ABL Facility Documentation upon execution thereof and thereafter shall have no further force and effect.

Notwithstanding any other provision of this Second Amended and Restated Commitment Letter,

(i) none of us, you (or any of your affiliates), the Company (or any of its affiliates) or any Indemnified Person shall be liable for any damages arising from the use by others of information or other materials obtained through internet, electronic, telecommunications or other information transmission systems, except to the extent that such damages have resulted from the willful misconduct, bad faith or gross negligence of such person or any of such person's controlled affiliates or any of its or their respective officers, directors, employees or agents or, to the extent acting at such person's direction, advisors or other representatives (as determined by a court of competent jurisdiction in a final and non-appealable decision); **provided** that (x) nothing in this **clause (i)** shall impact the Commitment Parties' right to indemnification hereunder and (y) the foregoing shall not limit your responsibility for the contents of such information and other materials, including to the extent of any representations and warranties with respect thereto contained herein or in the ABL Facility Documentation; and

(ii) none of us, you (or any of your affiliates) or any Indemnified Person shall be liable for any indirect, special, punitive or consequential damages (including, without limitation, any loss of profits, business or anticipated savings) in connection with this Second Amended and Restated Commitment Letter, the Second Amended and Restated Fee Letter, the Transactions (including the ABL Facility and the use of proceeds thereunder), or with respect to any activities related to the ABL Facility, including the preparation of this Second Amended and Restated Commitment Letter, the Second Amended and Restated Fee Letter and the ABL Facility Documentation; **provided** that nothing in this paragraph shall limit your indemnity and reimbursement obligations to the extent that such indirect, special, punitive or consequential damages are included in any claim by a third party with respect to which the applicable

Indemnified Person is entitled to indemnification as set forth in the immediately preceding paragraph.

You shall not be liable for any settlement of any Proceeding effected without your written consent (which consent shall not be unreasonably conditioned, withheld or delayed), but if settled with your written consent or if there is a final and non-appealable judgment by a court of competent jurisdiction in any such Proceeding, you agree to indemnify and hold harmless each Indemnified Person from and against any and all Losses and related expenses by reason of such settlement or judgment in accordance with and to the extent provided in the other provisions of this **Section 7**.

You shall not, without the prior written consent of any Indemnified Person (which consent shall not be unreasonably conditioned, withheld or delayed) (it being understood that the withholding of consent due to non-satisfaction of any of the conditions described in **clauses (i) and (ii)** of this sentence shall be deemed reasonable), effect any settlement of any pending or threatened Proceedings in respect of which indemnity could have been sought hereunder by such Indemnified Person unless such settlement (i) includes an unconditional release of such Indemnified Person in form and substance reasonably satisfactory to such Indemnified Person from all liability or claims that are the subject matter of such Proceeding and (ii) does not include any statement as to or any admission of fault, culpability, wrongdoing or a failure to act by or on behalf of any Indemnified Person.

Notwithstanding the foregoing, each Indemnified Person shall be obligated to refund or return any and all amounts paid by you under this **Section 7** to such Indemnified Person for any Losses to the extent such Indemnified Person is not entitled to payment of such amounts in accordance with the terms hereof.

#### **8. Sharing of Information, Absence of Fiduciary Relationships, Affiliate Activities.**

You acknowledge that the Commitment Parties and their affiliates may be providing debt financing, equity capital or other services (including, without limitation, financial advisory services) to other persons in respect of which you, the Company or your or its affiliates or subsidiaries may have conflicting interests regarding the transactions described herein and otherwise. None of the Commitment Parties or their affiliates will use confidential information obtained from you, the Company or your or its affiliates or subsidiaries by virtue of the transactions contemplated by this Second Amended and Restated Commitment Letter or their other relationships with you, the Company and your or its affiliates and subsidiaries in connection with the performance by them or their affiliates of services for other persons, and none of the Commitment Parties or their affiliates will furnish any such information to other persons, except to the extent permitted below. You also acknowledge that none of the Commitment Parties or their affiliates has any obligation to use in connection with the transactions contemplated by this Second Amended and Restated Commitment Letter, or to furnish to you, confidential information obtained by them from other persons.

As you know, certain of the Commitment Parties and their affiliates are full service securities firms engaged, either directly or through their affiliates, in various activities, including securities trading, commodities trading, investment management, financing and brokerage activities and financial planning and benefits counseling for both companies and individuals. In the ordinary course of these activities, certain of the Commitment Parties and their respective affiliates may actively engage in commodities trading or trade the debt and equity securities (or related derivative securities) and financial instruments (including bank loans and other obligations) of you, the Company and other companies which may be the subject of the arrangements contemplated by this Second Amended and Restated Commitment Letter for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities. Certain of the Commitment Parties or their affiliates may also co-invest with,

make direct investments in, and invest or co-invest client monies in or with funds or other investment vehicles managed by other parties, and such funds or other investment vehicles may trade or make investments in securities of you, the Company or other companies which may be the subject of the arrangements contemplated by this Second Amended and Restated Commitment Letter or engage in commodities trading with any thereof.

The Commitment Parties and their respective affiliates may have economic interests that conflict with those of you or the Company and may be engaged in a broad range of transactions that involve interests that differ from yours and those of your affiliates, and the Commitment Parties have no obligation to disclose any interests to you or your affiliates. You agree that the Commitment Parties will act under this Second Amended and Restated Commitment Letter as independent contractors and that nothing in this Second Amended and Restated Commitment Letter or the Second Amended and Restated Fee Letter will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Commitment Parties and you, the Company, your and its respective equity holders or your and its respective affiliates. You acknowledge and agree that:

(i) the transactions contemplated by this Second Amended and Restated Commitment Letter and the Second Amended and Restated Fee Letter are arm's length commercial transactions between the Commitment Parties and, if applicable, their affiliates, on the one hand, and you, on the other,

(ii) in connection therewith and with the process leading to such transaction each Commitment Party and its applicable affiliates (as the case may be) is acting solely as a principal and has not been, is not and will not be acting as an agent, advisor or fiduciary of you, the Company, your and its management, equity holders, creditors, affiliates or any other person,

(iii) the Commitment Parties and their applicable affiliates (as the case may be) have not assumed an advisory or fiduciary responsibility or any other obligation in favor of you or your affiliates with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether the Commitment Parties or any of their respective affiliates have advised or are currently advising you or the Company on other matters) except the obligations expressly set forth in this Second Amended and Restated Commitment Letter and the Second Amended and Restated Fee Letter, and

(iv) the Commitment Parties have not provided any legal, accounting, regulatory or tax advice and you have consulted your own legal and financial advisors to the extent you deemed appropriate.

You further acknowledge and agree that you are responsible for making your own independent judgment with respect to the Transactions and any transactions related thereto and the process leading thereto. You agree that you will not claim that the Commitment Parties or their applicable affiliates, as the case may be, have rendered advisory services of any nature or respect, or owe a fiduciary or similar duty to you or your affiliates, in connection with such transactions or the process leading thereto.

You acknowledge that certain Commitment Parties or their respective affiliates are the administrative agent and/or a lender under the Existing Company Credit Agreement (in such capacity, the "**Existing Company Agent and Lenders**"). You acknowledge and agree for yourself and your subsidiaries that the Existing Company Agent and Lenders (a) will be acting for its own account as principal in connection with the Existing Company Credit Agreement, (b) will be under no obligation or duty as a result of the Commitment Parties' roles in connection with the transactions contemplated by this Second Amended and Restated Commitment Letter or otherwise to take any action or refrain from taking any

action (including with respect to voting for or against any requested amendments), or exercising any rights or remedies, that the Existing Company Agent and Lenders may be entitled to take or exercise in respect of the Existing Company Credit Agreement and (c) may manage its exposure to the existing facilities without regard to the Commitment Parties' roles hereunder. You further agree not to assert any claim you might allege based on any actual or potential conflicts of interest that might be asserted to arise or result from, on the one hand, the Existing Company Agent and Lenders acting as administrative agent and lender under the Existing Company Credit Agreement on the one hand and, on the other hand, the Commitment Parties and their affiliates' relationships with you as described and referred to herein.

You acknowledge that certain Commitment Parties or their respective affiliates are the administrative agent and/or a lender under the Existing WS Credit Agreement (in such capacity, the "**Existing WS Agent and Lenders**"). You acknowledge and agree for yourself and your subsidiaries that the Existing WS Agent and Lenders (a) will be acting for its own account as principal in connection with the Existing WS Credit Agreement, (b) will be under no obligation or duty as a result of the Commitment Parties' roles in connection with the transactions contemplated by this Second Amended and Restated Commitment Letter or otherwise to take any action or refrain from taking any action (including with respect to voting for or against any requested amendments), or exercising any rights or remedies, that the Existing WS Agent and Lenders may be entitled to take or exercise in respect of the Existing WS Credit Agreement and (c) may manage its exposure to the existing facilities without regard to the Commitment Parties' roles hereunder. You further agree not to assert any claim you might allege based on any actual or potential conflicts of interest that might be asserted to arise or result from, on the one hand, the Existing WS Agent and Lenders acting as administrative agent and lender under the Existing WS Credit Agreement on the one hand and, on the other hand, the Commitment Parties and their affiliates' relationships with you as described and referred to herein.

As you know, BofA Securities, DBSI and JPMCB (and/or, in each case, one or more affiliates thereof) has been retained by you (or one of your affiliates) as financial advisor (in such capacities, the "**Buy-Side Financial Advisors**") in connection with the Transactions. You acknowledge such retention, and further agree not to assert any claim you might allege based on any actual or potential conflicts of interest that might be asserted to arise or result from the engagement of the Buy-Side Financial Advisors, on the one hand, and our and our affiliates' relationships with you as described and referred to herein, on the other. Each of the Commitment Parties hereto acknowledges (i) the retention of the Buy-Side Financial Advisors and (ii) that such relationship does not create any fiduciary duties or fiduciary responsibilities to such Commitment Party on the part of the Buy-Side Financial Advisors or its affiliates.

## **9. Confidentiality.**

You agree that you will not disclose, directly or indirectly, the Second Amended and Restated Fee Letter or the contents thereof or this Second Amended and Restated Commitment Letter, the ABL Facility Term Sheet, the other exhibits and attachments hereto or the contents of each thereof, or the activities of any Commitment Party pursuant hereto or thereto, to any person or entity, except:

(a) to your officers, directors, employees, affiliates, controlling persons, members, partners, equity holders, attorneys, accountants, representatives, agents and advisors on a confidential basis,

(b) if the Commitment Parties consent in writing (such consent not to be unreasonably conditioned, withheld or delayed) to such proposed disclosure, or

(c) pursuant to the order of any court or administrative agency in any pending legal, judicial or administrative proceeding, or otherwise as required by applicable law or compulsory

legal process or to the extent requested or required by governmental and/or regulatory authorities, in each case based on the reasonable advice of your legal counsel (in which case you agree, to the extent practicable and not prohibited by applicable law, rule or regulation to inform us promptly thereof prior to disclosure), including to the extent required by the Securities and Exchange Commission or other governmental authority in connection with any public filing relating to the Transactions;

*provided* that:

(i) you may disclose the Second Amended and Restated Commitment Letter and the Second Amended and Restated Fee Letter and the contents thereof to the Company and its officers, directors, employees, equity holders, attorneys, accountants, representatives, agents and advisors on a confidential basis,

(ii) you may disclose this Second Amended and Restated Commitment Letter and its contents, including the ABL Facility Term Sheet and other exhibits and attachments hereto (but not the Second Amended and Restated Fee Letter or the contents thereof), in any syndication or other marketing materials in connection with the ABL Facility (including the Information Materials) or in connection with any public or regulatory filing requirements relating to the Transactions,

(iii) you may disclose the ABL Facility Term Sheet and the other exhibits and annexes to this Second Amended and Restated Commitment Letter and the contents thereof, to potential Lenders and their affiliates involved in the related commitments,

(iv) you may disclose the aggregate fee amount contained in the Second Amended and Restated Fee Letter as part of Projections, pro forma information or a generic disclosure of aggregate sources and uses related to fee amounts related to the Transactions to the extent customary or required in offering and marketing materials for the ABL Facility, the Notes or in any public or regulatory filing relating to the Transactions or any offering or private placement of the Notes (and only to the extent aggregated with all other fees and expenses of the Transactions and not presented as an individual line item unless required by applicable law, rule or regulation),

(v) you may disclose the Second Amended and Restated Commitment Letter and the Second Amended and Restated Fee Letter in connection with defending any of your rights or with respect to any remedy or enforcement of any right under this Second Amended and Restated Commitment Letter and the Second Amended and Restated Fee Letter,

(vi) you may disclose the ABL Facility Term Sheet (but not the other portions of the Second Amended and Restated Commitment Letter or the Second Amended and Restated Fee Letter) to any rating agency in connection with the Transactions or in connection with your, the Company's or your or its respective subsidiaries' credit ratings, in each case, on a confidential basis,

(vii) you may disclose the Second Amended and Restated Commitment Letter and the Second Amended and Restated Fee Letter on a confidential basis to persons performing customary accounting functions, including accounting for deferred financing costs,

(viii) you may disclose this Second Amended and Restated Commitment Letter (but not the Second Amended and Restated Fee Letter) in connection with any customary Rule 144A/

Regulation S offering memorandum for primary or secondary offerings of the debt securities related to the Notes,

(ix) you may disclose this Second Amended and Restated Commitment Letter and the contents hereof (but not the Second Amended and Restated Fee Letter or the contents thereof) to the extent that the Second Amended and Restated Commitment Letter becomes publicly available other than as a result of a breach of this Second Amended and Restated Commitment Letter by you, the Company or your or its respective affiliates, and

(x) you may disclose this Second Amended and Restated Commitment Letter and the Second Amended and Restated Fee Letter and the contents of each thereof (including the ABL Facility Term Sheet and other exhibits and attachments hereto) to any potential Additional Commitment Party to the extent in contemplation of appointing such person pursuant to your Designation Right and to any such person's affiliates and its and their respective officers, directors, employees, agents, attorneys, accountants and other advisors, in each case, on a confidential and need-to-know basis.

The confidentiality provisions set forth in this paragraph shall survive the termination of this Second Amended and Restated Commitment Letter and expire and shall be of no further effect (other than with respect to the Second Amended and Restated Fee Letter) following the second anniversary of the Original Execution Date.

The Commitment Parties and their affiliates will use all non-public information provided to any of them or such affiliates by or on behalf of you hereunder or in connection with the Transactions solely for the purpose of providing the services which are the subject of this Second Amended and Restated Commitment Letter and negotiating, evaluating and contemplating the transactions contemplated hereby and shall treat confidentially all such information and shall not publish, disclose or otherwise divulge, such information; **provided** that nothing herein shall prevent the Commitment Parties and their affiliates from disclosing any such information:

(a) pursuant to the order of any court or administrative agency or in any pending legal, judicial or administrative proceeding, or otherwise as required by applicable law, rule or regulation, or compulsory legal process based on the reasonable advice of counsel (in which case the Commitment Parties agree (except with respect to any audit or examination conducted by bank accountants or any governmental or bank regulatory authority exercising examination or regulatory authority), to the extent practicable and not prohibited by applicable law, rule or regulation, to inform you promptly thereof prior to disclosure),

(b) upon the request or demand of any regulatory authority having jurisdiction over the Commitment Parties or any of their respective affiliates (in which case the Commitment Parties agree (except with respect to any audit or examination conducted by bank accountants or any governmental or bank regulatory authority exercising examination or regulatory authority), to the extent practicable and not prohibited by applicable law, rule or regulation, to inform you promptly thereof prior to disclosure),

(c) to the extent that such information becomes publicly available other than by reason of improper disclosure by the Commitment Parties or any of their affiliates or any related parties thereto (including the persons referred to in **clause (f)** below) in violation of any confidentiality obligations owing to you, the Company or any of your or its respective subsidiaries or affiliates or related parties,

(d) to the extent that such information is or was received by the Commitment Parties from a third party that is not, to the Commitment Parties' knowledge, subject to contractual or fiduciary confidentiality obligations owing to you, the Company or any of your or its respective affiliates or related parties,

(e) to the extent that such information was already in our possession prior to the Original Execution Date, or is independently developed by the Commitment Parties without the use of any confidential information and without violating the terms of this Second Amended and Restated Commitment Letter,

(f) to the Commitment Parties' affiliates and to its and their respective directors, officers, employees, legal counsel, independent auditors, professionals and other experts or agents who need to know such information in connection with the Transactions and who otherwise are informed of the confidential nature of such information and who are subject to customary confidentiality obligations of professional practice or who agree in writing to be bound by the terms of this paragraph (or language substantially similar to this paragraph) (with each such Commitment Party responsible for such person's compliance with this paragraph),

(g) for the purposes of establishing a "due diligence" defense, or

(h) to potential or prospective Lenders, participants or assignees and to any direct or indirect contractual counterparty to any swap or derivative transaction relating to Borrowers or any of their subsidiaries, in each case who agree to be bound by the terms of this paragraph (or language substantially similar to this paragraph); **provided** that:

(i) the disclosure of any such information to any Lenders, participants, assignees, hedge providers or prospective Lenders shall be made subject to the acknowledgment and acceptance by such Lender, participant, assignee, hedge provider or prospective Lender that such information is being disseminated on a confidential basis (on substantially the terms set forth in this paragraph or as is otherwise reasonably acceptable to you and each Commitment Party, including, without limitation, as agreed in any Information Materials or other marketing materials) in accordance with the standard syndication processes of such Commitment Party or customary market standards for dissemination of such type of information, which shall in any event require "click through" or other affirmative actions on the part of recipient to access such information, and

(ii) no such disclosure shall be made by such Commitment Party to any person that is at such time a Disqualified Lender.

In the event that the ABL Facility becomes effective, the Commitment Parties' (and their affiliates', if any) obligations under this paragraph shall terminate automatically and be superseded by the confidentiality provisions in the ABL Facility Documentation upon the effectiveness thereof to the extent such provisions are covered thereby and binding on such Commitment Party (or affiliate thereof). Otherwise, the confidentiality provisions set forth in this paragraph shall survive the termination of this Second Amended and Restated Commitment Letter and expire and shall be of no further effect after the second anniversary of the Original Execution Date.

## 10. Miscellaneous.

This Second Amended and Restated Commitment Letter and the commitments hereunder shall not be assignable by any party hereto (subject to your Designation Right and other than any assignment subject to the limitations set forth in **Section 3** above, by an Initial Lender to any Lender) without the prior written consent of each other party hereto (such consent not to be unreasonably conditioned, withheld or delayed) (and any attempted assignment without such consent shall be null and void); **provided** that you may assign this Second Amended and Restated Commitment Letter to the Administrative Borrower.

This Second Amended and Restated Commitment Letter and the commitments hereunder are intended to be solely for the benefit of the parties hereto (and Indemnified Persons to the extent expressly set forth herein) and are not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto (and Indemnified Persons to the extent expressly set forth herein).

Subject to the limitations set forth in **Section 3** above, the Commitment Parties reserve the right to employ the services of their affiliates or branches in providing services contemplated hereby and to allocate, in whole or in part, to their affiliates or branches certain fees payable to the Commitment Parties in such manner as the Commitment Parties and their affiliates or branches may agree in their sole discretion and, to the extent so employed, such affiliates and branches shall be entitled to the benefits afforded to us hereunder and be subject to the obligations undertaken by us hereunder.

Except as set forth in **Section 2** hereof in respect of your Designation Right, this Second Amended and Restated Commitment Letter may not be amended or any provision hereof waived or modified except by an instrument in writing signed by each of the Commitment Parties and you.

This Second Amended and Restated Commitment Letter may be executed in any number of counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this Second Amended and Restated Commitment Letter by facsimile transmission or other electronic transmission (i.e., a “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart hereof. The words “execution,” “signed,” “signature,” and words of like import in this Second Amended and Restated Commitment Letter and any other document, instrument or agreement relating hereto or thereto shall be deemed to include electronic signatures or the keeping of electronic records in electronic form, each of which 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, 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.

This Second Amended and Restated Commitment Letter (including the exhibits hereto), together with the Original Commitment Letter, the Amended and Restated Commitment Letter, the Second Amended and Restated Fee Letter dated the date hereof, the Amended and Restated Fee Letter and the Original Fee Letter, (i) are the only agreements that have been entered into among the parties hereto with respect to the ABL Facility and (ii) this Second Amended and Restated Commitment Letter and the Second Amended and Restated Fee Letter dated as of the date hereof supersede all prior understandings, whether written or oral, among us with respect to the ABL Facility and sets forth the entire understanding of the parties hereto with respect thereto.

**THIS SECOND AMENDED AND RESTATED COMMITMENT LETTER, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER, OR RELATED TO, THIS SECOND**

AMENDED AND RESTATED COMMITMENT LETTER (INCLUDING, WITHOUT LIMITATION, ANY CLAIMS SOUNDING IN CONTRACT LAW OR TORT LAW ARISING OUT OF THE SUBJECT MATTER HEREOF) SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK; *provided, however*, that it is understood and agreed that:

(a) the interpretation of the definition of Company Material Adverse Effect (as defined in Exhibit C hereto) (and whether or not a Company Material Adverse Effect (as defined in Exhibit C hereto) has occurred),

(b) the determination of the accuracy of any Specified Acquisition Agreement Representation and whether as a result of any inaccuracy thereof you (or your affiliates) have the right (taking into account any applicable cure provisions) to terminate your (or your affiliates') obligations under the Acquisition Agreement or to decline to consummate the Acquisition (in accordance with the terms of the Acquisition Agreement), and

(c) the determination of whether the Acquisition has been consummated in accordance with the terms of the Acquisition Agreement, in each case shall be governed by, and construed in accordance with, the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

Any ABL Lead Arranger may, subject to your consent (which consent will not be unreasonably conditioned, withheld or delayed), place customary advertisements in financial and other newspapers and periodicals or on a home page or similar place for dissemination of customary information on the Internet or worldwide web as it may choose, and circulate similar promotional materials, in each case, after the Closing Date, in the form of "tombstone" or otherwise describing the name of the Borrowers and the amount, type and closing date of the Transactions, all at the expense of such ABL Lead Arranger.

Each of the parties hereto agrees that (i) this Second Amended and Restated Commitment Letter is a binding and enforceable agreement, at law and in equity, with respect to the subject matter contained herein, including an agreement of each party to negotiate in good faith the ABL Facility Documentation in a manner consistent with this Second Amended and Restated Commitment Letter and an agreement by us to provide and fund the ABL Facility on the terms and subject to the conditions precedent set forth in this Second Amended and Restated Commitment Letter it being acknowledged and agreed that the commitment provided hereunder is subject only to the conditions precedent as expressly provided herein, and (ii) the Second Amended and Restated Fee Letter is a legally valid and binding agreement of the parties thereto with respect to the subject matter set forth therein; *provided that* nothing in this Second Amended and Restated Commitment Letter obliges you or any of your affiliates to consummate the Acquisition or to draw all or any portion of, or enter into, the ABL Facility.

EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY OR ON BEHALF OF ANY PARTY RELATED TO OR ARISING OUT OF THIS SECOND AMENDED AND RESTATED COMMITMENT LETTER OR THE SECOND AMENDED AND RESTATED FEE LETTER OR THE PERFORMANCE OF SERVICES HEREUNDER OR THEREUNDER.

Each of the parties hereto hereby irrevocably and unconditionally:

(a) submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in the Borough of Manhattan, and any appellate court from any thereof, in any action or proceeding arising out of or relating to

this Second Amended and Restated Commitment Letter, the Second Amended and Restated Fee Letter or the transactions contemplated hereby or thereby, and agrees that all claims in respect of any such action or proceeding shall only be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court,

(b) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Second Amended and Restated Commitment Letter, the Second Amended and Restated Fee Letter or the transactions contemplated hereby or thereby in any New York State or in any such Federal court,

(c) waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court, and

(d) agrees that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each of the parties hereto agrees that service of process, summons, notice or document by registered mail addressed to you or us at the addresses set forth above shall be effective service of process for any suit, action or proceeding brought in any such court.

We hereby notify you that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the "**PATRIOT Act**")), 31 C.F.R § 1010.230 (the "**Beneficial Ownership Regulation**") and the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and such other applicable Canadian policies, regulations, laws or rules, collectively, including any guidelines or order thereunder (collectively, the "**Canadian AML Legislation**"), each of us and each of the Lenders may be required to obtain, verify and record information that identifies the Borrowers and the Guarantors, which information may include their names, addresses, tax identification numbers and other information that will allow each of us and the Lenders to identify the Borrowers and the Guarantors in accordance with the PATRIOT Act, the Beneficial Ownership Regulation and the Canadian AML Legislation. This notice is given in accordance with the requirements of the PATRIOT Act, the Beneficial Ownership Regulation and the Canadian AML Legislation and is effective for each of us and the Lenders.

The survival, indemnification, compensation (if applicable), reimbursement (if applicable), jurisdiction, governing law, venue, waiver of jury trial, syndication and confidentiality provisions contained herein and in the Second Amended and Restated Fee Letter and the provisions of **Section 8** of this Second Amended and Restated Commitment Letter shall remain in full force and effect regardless of whether the ABL Facility Documentation shall be executed and delivered and notwithstanding the termination or expiration of this Second Amended and Restated Commitment Letter or the Initial Lenders' commitments hereunder; **provided** that your obligations under this Second Amended and Restated Commitment Letter (except as specifically set forth in the third through seventh paragraphs of **Section 3** of this Second Amended and Restated Commitment Letter and the second sentence of **Section 4** of this Second Amended and Restated Commitment Letter, and other than your obligations with respect to the confidentiality of this Second Amended and Restated Commitment Letter, the Second Amended and Restated Fee Letter and the contents hereof and thereof) shall automatically terminate and be superseded, in each case to the extent covered thereby, by the provisions of the ABL Facility Documentation, upon the initial funding thereunder, and you shall automatically be released from all liability in connection therewith at such time. You may terminate this Second Amended and Restated Commitment Letter and the Initial Lenders' commitments with respect to the ABL Facility hereunder in their entirety at any time subject to the provisions of the preceding sentence. In addition, in the event that a lesser amount of indebtedness is required to fund the Transactions for any reason, you may reduce the Initial Lenders' commitments with respect to the ABL Facility (on a pro rata basis amongst the Initial

Lenders in the ABL Facility); **provided**, fixed dollar thresholds in respect of triggers based on Specified Excess Availability or Excess Availability shall be automatically reduced accordingly.

Section headings used herein are for convenience of reference only and are not to affect the construction of, or to be taken into consideration in interpreting, this Second Amended and Restated Commitment Letter.

If the foregoing correctly sets forth our agreement, please indicate your acceptance of the terms of this Second Amended and Restated Commitment Letter and of the Second Amended and Restated Fee Letter by returning to the ABL Lead Arrangers executed counterparts hereof and of the Second Amended and Restated Fee Letter not later than 11:59 p.m., New York City time, on May 5, 2020. The offer of the Initial Lenders and the ABL Lead Arrangers to provide the commitments and services hereunder will expire at such time in the event that the Commitment Parties have not received such executed counterparts in accordance with the immediately preceding sentence. Upon execution and delivery of this Second Amended and Restated Commitment Letter and the Second Amended and Restated Fee Letter by you at or prior to such time, we agree to hold our commitments to provide the ABL Facility and our other undertakings in connection therewith available for you until the earliest of (i) the termination of the Acquisition Agreement in accordance with its terms (other than with respect to provisions therein that expressly survive termination), prior to closing of the Acquisition, (ii) the consummation of the Acquisition without the funding of the ABL Facility and (iii) the later of (x) 11:59 p.m., New York City time, on December 1, 2020 and (y) if the End Date (as defined in the Acquisition Agreement as of the Original Execution Date) is extended for an additional three months pursuant to Section 10.1(b)(i) of the Acquisition Agreement as in effect on the Original Execution Date, March 1, 2021. Upon the occurrence of any of the events referred to in the preceding sentence, the commitments to provide the ABL Facility and our other undertakings in connection therewith shall automatically terminate unless the Commitment Parties shall, in their discretion, agree to an extension in writing (including by email).

[Remainder of this page intentionally left blank]

We are pleased to have been given the opportunity to assist you in connection with the financing for the Transactions.

Very truly yours,

**DEUTSCHE BANK AG NEW YORK  
BRANCH**

By: /s/ Stephen R. Lapidus  
Name: Stephen R. Lapidus  
Title: Director

By: /s/ Manfred Affenzeller  
Name: Manfred Affenzeller  
Title: Managing Director

**DEUTSCHE BANK SECURITIES INC.**

By: /s/ Stephen R. Lapidus  
Name: Stephen R. Lapidus  
Title: Director

By: /s/ Manfred Affenzeller  
Name: Manfred Affenzeller  
Title: Managing Director

[Signature Page to Commitment Letter]

**JPMORGAN CHASE BANK, N.A.,**

By: /s/ Hai Nguyen  
Name: Hai Nguyen  
Title: Authorized Officer

[Signature Page to Commitment Letter]

**ING CAPITAL LLC,**

By: /s/ Jean Grasso  
Name: Jean Grasso  
Title: Managing Director

By: /s/ Jeffery Chu  
Name: Jeffery Chu  
Title: Director

[Signature Page to Commitment Letter]

**BBVA USA**

By: /s/ Chris Dowler  
Name: Chris Dowler  
Title: Senior Vice President

[Signature Page to Commitment Letter]

Accepted and agreed to as of  
the date first above written:

**WILLSCOT CORPORATION**

By: /s/ Bradley Sultz

Name: Bradley Sultz

Title: Chief Executive Officer

[Signature Page to Commitment Letter]

EXHIBIT A

Project CrossFit  
Transaction Description

Capitalized terms used but not defined in this Exhibit A shall have the meanings set forth in the Second Amended and Restated Commitment Letter to which this Exhibit A is attached (the “**Second Amended and Restated Commitment Letter**”). In the case of any such capitalized term that is subject to multiple and differing definitions, the appropriate meaning thereof in this Exhibit A shall be determined by reference to the context in which it is used.

WillScot Corporation, a Delaware corporation (“**WS**”), intends to form a direct or indirect wholly owned U.S. subsidiary (“**Merger Sub**”) to be merged (the “**Acquisition**”) with and into a company previously identified to the ABL Lead Arrangers and referred to as “**Monet**” (the “**Company**”). It is intended that the Acquisition be consummated pursuant to that certain Agreement and Plan of Merger dated as of the Original Execution Date (together with all exhibits, annexes, schedules and other disclosure letters thereto, collectively, as modified, amended, supplemented, consented to or waived, the “**Acquisition Agreement**”) by and among WS, Merger Sub and the Company. Pursuant to the Acquisition Agreement, Merger Sub will merge with and into the Company, with the Company being the surviving corporation of the merger, and upon consummation of the merger, a wholly-owned direct subsidiary of WS and, immediately following the merger, through a series of contributions, an indirect subsidiary of WS and a direct subsidiary of WS’s indirect operating subsidiary, Williams Scotsman, Inc.

In connection with the Acquisition, the equity holders of the Company will receive common stock of WS as merger consideration (the “**Merger Consideration**”) in accordance with the terms of the Acquisition Agreement.

In connection with the foregoing, it is intended that:

- a) the Borrowers will obtain the \$2,400.0 million asset based revolving credit facility described in **Exhibit B** to the Second Amended and Restated Commitment Letter (the “**ABL Facility**”);
- b) in connection with the Acquisition,
  - (i) the indebtedness of WS and its subsidiaries under that certain ABL Credit Agreement, dated as of November 29, 2017 (as amended, restated, amended and restated or otherwise modified from time to time, the “**Existing WS Credit Agreement**”), among, *inter alios*, WS, the joint lead arrangers and joint bookrunners party thereto and Bank of America, N.A., as administrative agent,
  - (ii) the indebtedness of the Company and its subsidiaries under that certain Second Amended and Restated ABL Credit Agreement, dated as of March 22, 2019 (as amended, restated, amended and restated or otherwise modified from time to time, the “**Existing Company Credit Agreement**”), among, *inter alios*, the Company, the joint lead arrangers and joint bookrunners party thereto and Deutsche Bank AG New York Branch, as administrative agent, and
  - (iii) the senior notes of the Company and its subsidiaries under that certain Indenture, dated as of May 9, 2016, among, *inter alios*, the Company and Deutsche Bank Trust Company Americas as trustee, paying agent, registrar and transfer agent (“**Existing Company Notes**”), will, in each case, be repaid or redeemed (with any applicable premium) or otherwise satisfied and discharged in full (including with cash necessary to redeem the Existing Company Notes being deposited with the trustee of such Existing Company

Notes (it being understood and agreed that the depositing with the applicable trustee of cash necessary to redeem the Existing Company Notes shall be satisfactory for such purposes, whether such deposit is made pursuant to Section 3.5 of the Indenture, Section 11.1 of the Indenture, or otherwise)), and any related liens and guarantees will be terminated (the “**Debt Repayment**”); and

- c) the proceeds of the ABL Facility to be funded on the Closing Date and cash on hand at the Company and its subsidiaries on the Closing Date will be applied to (i) effect the Debt Repayment and (ii) pay the fees and expenses incurred in connection with the Transactions (such fees and expenses, the “**Transaction Costs**”) (the amounts set forth in **clauses (i)** and **(ii)** above, collectively, the “**Acquisition Funds**”).

The transactions described above (including the payment of Transaction Costs) are collectively referred to herein as the “**Transactions**”.

Project CrossFit  
\$2,400.0 Million ABL Facility  
Summary of Principal Terms and Conditions<sup>1</sup>

Borrowers:

Williams Scotsman International, Inc., a Delaware corporation (the “**Administrative Borrower**” or “**WSI**”), Williams Scotsman, Inc., a Maryland corporation, Willscot Equipment II, LLC, a Delaware limited liability company, and the Company and its domestic wholly-owned subsidiaries that are borrowers under the Existing Company Credit Agreement will be the borrowers under the U.S. ABL Facility described below, together with any additional wholly owned U.S. subsidiary of WSI that becomes a borrower under the U.S. ABL Facility after the Closing Date on terms and conditions consistent with the ABL Facility Documentation Principles (including the delivery of information required pursuant to applicable “know your customer” and anti-money laundering rules and regulations) (collectively, the “**U.S. Borrowers**”).

Mobile Mini UK Limited, a private limited company incorporated in England and Wales, Ravenstock MSG Limited, a private limited company incorporated in England and Wales, and any other wholly-owned U.K. subsidiary of the Company that is a borrower under the Existing Company Credit Agreement will be borrowers under the U.K. ABL Facility described below, together with any additional wholly owned U.K. subsidiary of WSI that becomes a borrower under the U.K. ABL Facility after the Closing Date on terms and conditions consistent with the ABL Facility Documentation Principles (including the delivery of information required pursuant to applicable “know your customer” and anti-money laundering rules and regulations) (collectively, the “**U.K. Borrowers**”).

Williams Scotsman of Canada, Inc., a corporation incorporated under the Business Corporations Act (Ontario), Mobile Mini Canada ULC, an unlimited liability corporation incorporated in British Columbia, and any other wholly-owned Canadian subsidiary of the Company that is a borrower under the Existing Company Credit Agreement will be borrowers under the Canadian ABL Facility described below, together with any additional wholly-owned Canadian subsidiary of WSI that becomes a borrower under the Canadian ABL Facility after the Closing Date on terms and conditions consistent with the ABL Facility Documentation Principles (including the delivery of information required pursuant to applicable “know your customer” and anti-money laundering rules and regulations) (collectively, the “**Canadian Borrowers**” and, together with the U.S. Borrowers and the U.K. Borrowers, the “**Borrowers**”).

<sup>1</sup> All capitalized terms used but not defined herein shall have the meaning given them in the Second Amended and Restated Commitment Letter to which this ABL Facility Term Sheet is attached, including Exhibits A and C thereto.

Holdings:

Williams Scotsman Holdings Corp., a Delaware corporation (“**Holdings**”).

**Transactions:**

As set forth in **Exhibit A** to the Second Amended and Restated Commitment Letter.

**ABL Administrative Agent:**

Bank of America, N.A. will act as sole and exclusive administrative agent and collateral agent (in either case, in such capacities, the “**ABL Administrative Agent**”) for the ABL Lenders (as defined below) in respect of the ABL Facility.

**ABL Lead Arrangers and Bookrunners:**

BofA Securities, Inc., Deutsche Bank Securities Inc., JPMorgan Chase Bank, N.A., ING Capital LLC and BBVA USA will act as joint lead arrangers and joint bookrunners (together with any additional arranger or bookrunner appointed pursuant to Section 2 of the Second Amended and Restated Commitment Letter, each in such capacity, an “**ABL Lead Arranger**” and, together, the “**ABL Lead Arrangers**”), in each case for the ABL Facility, and each will perform the duties customarily associated with such roles.

**ABL Lenders:**

A syndicate of banks, financial institutions and other investors reasonably acceptable to the ABL Lead Arrangers and the Administrative Borrower (such consent not to be unreasonably conditioned, withheld or delayed), excluding any Disqualified Lenders (the “**ABL Lenders**”).

**ABL Facility:**

A five year senior secured asset based revolving credit facility (the “**U.S. ABL Facility**”) in an aggregate principal amount of \$2,400.0 million will be made available to the U.S. Borrowers, with:

(x) a sub facility to be made available to the U.K. Borrowers (the “**U.K. ABL Facility**”), and

(y) a sub facility to be made available to the Canadian Borrowers (the “**Canadian ABL Facility**”) and, together with the U.S. ABL Facility and the U.K. ABL Facility, collectively the “**ABL Facility**”) in an aggregate principal amount for both clauses (x) and (y) equal to \$400.0 million. ABL Facility Documentation may contain provisions reasonably acceptable to the Administrative Borrower and the ABL Administrative Agent necessary to account for certain Lenders holding non-pro rata commitments between the U.S. ABL Facility, U.K. ABL Facility and Canadian ABL Facility, provided that the principal amount of each such facility and sub facility as set forth herein shall not be altered.

Commitments under the ABL Facility are referred to as “**ABL Commitments**” and the loans thereunder, together with (unless the context otherwise requires) the swingline borrowings referred to below are collectively referred to as “**ABL Loans**”. ABL Loans borrowed under the U.S. ABL Facility will be denominated in U.S. Dollars and additional currencies to be reasonably agreed by the Administrative Borrower and the Initial Lenders. ABL Loans borrowed under the U.K. ABL Facility will be denominated in Euros, British pounds sterling or U.S. Dollars, as elected by the applicable U.K. Borrower. ABL Loans borrowed under the Canadian ABL Facility will be denominated in Canadian Dollars or U.S. Dollars, as elected by the applicable Canadian Borrower.

**Incremental Facilities:**

The ABL Facility Documentation will permit the Borrowers to increase commitments under the ABL Facility (with any such increase to be applied as an increase to the U.S. ABL Facility, the U.K. ABL Facility and/or the Canadian ABL Facility as agreed between the Administrative Borrower and the applicable Lenders providing such increase) (any such increase, an “**Incremental ABL Facility**”) in an aggregate amount not to exceed \$600 million plus any voluntary prepayments that are accompanied by permanent commitment reductions under the ABL Facility; **provided** that:

(i) no event of default under the ABL Facility has occurred and is continuing or would exist after giving effect thereto (provided that, solely with respect to the obtaining and the initial concurrent funding of an Incremental ABL Facility incurred in connection with a Limited Condition Transaction, no event of default shall exist at the time the definitive documentation for such Limited Condition Transaction is executed and no payment or bankruptcy event of default shall exist at the time such Limited Condition Transaction is consummated, it being understood and agreed that the terms of this proviso shall not apply to any borrowing or other extension of credit under any Incremental ABL Facility or the ABL Facility except for such concurrent funding),

(ii) the terms of such Incremental ABL Facility will be the same terms as the relevant ABL Facility being increased **provided** that:

(a) if the applicable margin, undrawn commitment fees and letter of credit fees with respect to such Incremental ABL Facility are greater than those of the relevant ABL Facility, the applicable margin, undrawn commitment fees and letter of credit fees with respect to such relevant ABL Facility will be increased to the extent of the applicable differential,

(b) notwithstanding the foregoing, any arrangement, upfront or similar fees that may be agreed to among the Borrowers and the lenders providing such Incremental ABL Facility will not be shared with the Lenders providing the existing ABL Facility, and

(iii) all representations and warranties in the ABL Facility Documentation shall be true and correct in all material respects on and as of the date of incurrence of the Incremental ABL Facility (or, if any such representations or warranties are qualified by materiality, material adverse effect or similar language, be true and correct in all respects) (**provided** that this **clause (iii)** shall be subject to customary “SunGard” or “certain funds” limitations solely with respect to the obtaining and the initial concurrent funding of an Incremental ABL Facility incurred in connection with a Limited Condition Transaction, it being understood and agreed that the terms of this proviso shall not apply to any borrowing or other extension of credit under any Incremental ABL Facility or the ABL Facility except for such concurrent funding).

The Borrowers may seek commitments in respect of the Incremental ABL Facilities from existing ABL Lenders (each of which shall be entitled to agree or decline to participate in its sole discretion) and additional banks, financial institutions and other institutional lenders who will become ABL Lenders in connection therewith (an “**ABL Additional Lender**”); **provided** that the ABL Administrative Agent, the Swingline Lender and the Issuing Lenders shall have consent rights (not to be unreasonably conditioned, withheld or delayed) with respect to such ABL Additional Lender, if such consent would be required under the heading “Assignments and Participations” for an assignment of loans or commitments, as applicable, to such ABL Additional Lender.

**Swingline Facility:**

In connection with the U.S. ABL Facility, the ABL Administrative Agent (or any of its applicable affiliates or branches) (in such capacity, the “**U.S. Swingline Lender**”) will make available to the U.S. Borrowers a swingline facility (the “**U.S. Swingline Facility**”) under which the U.S. Borrowers may make short-term borrowings (on same-day notice (in minimum amounts to be mutually agreed upon and integral multiples to be agreed upon)) of up to \$100.0 million.

In connection with the U.K. ABL Facility, the ABL Administrative Agent (or any of its applicable affiliates or branches) (in such capacity, the “**U.K. Swingline Lender**”) will make available to the U.K. Borrowers a swingline facility (the “**U.K. Swingline Facility**”) under which the U.K. Borrowers may make short-term borrowings (on same-day notice (in minimum amounts to be mutually agreed upon and integral multiples to be agreed upon)) of up to \$20.0 million.

In connection with the Canadian ABL Facility, the ABL Administrative Agent (or any of its applicable affiliates or branches) (in such capacity, the “**Canadian Swingline Lender**”) and, together with the U.S. Swingline Lender and the U.K. Swingline Lender, collectively the “**Swingline Lender**”) will make available to the Canadian Borrowers a swingline facility (the “**Canadian Swingline Facility**”) and, together with the U.S. Swingline Facility and the U.K. Swingline Facility, collectively the “**Swingline Facility**”) under which the Canadian Borrowers may make short-term borrowings (on same-day notice (in minimum amounts to be mutually agreed upon and integral multiples to be agreed upon)) of up to \$50.0 million.

Except for purposes of calculating the commitment fees described in this **Exhibit B**, any such swingline borrowings will reduce availability under the U.S. ABL Facility, the U.K. ABL Facility or the Canadian ABL Facility, as applicable, on a dollar-for-dollar basis.

The Swingline Facility shall be on terms and conditions (including with respect to defaulting lenders) consistent with the ABL Facility Documentation Principles.

Letters of Credit:

\$125.0 million of the U.S. ABL Facility will be available to the U.S. Borrowers for the purpose of issuing letters of credit, \$20.0 million of the U.K. ABL Facility will be available to the U.K. Borrowers for the purpose of issuing letters of credit and \$75.0 million of the Canadian ABL Facility will be available to the Canadian Borrowers for the purpose of issuing letters of credit (collectively, “**Letters of Credit**”).

Each ABL Lead Arranger (or any of its applicable affiliates) (each in such capacity, an “**Issuing Lender**”) will provide a ratable portion of the foregoing Letter of Credit sub-limits, provided that no Issuing Lender shall be required to issue any letters of credit other than standby letters of credit without its consent. Each Letter of Credit shall expire not later than the earlier of:

(a) twelve months after its date of issuance or such longer period of time as may be agreed by the applicable Issuing Lender and

(b) the fifth business day prior to the final maturity of the ABL Facility; **provided** that any Letter of Credit may provide for automatic renewal thereof for additional periods of up to twelve months or such longer period of time as may be agreed by the applicable Issuing Lender (which in no event shall extend beyond the date referred to in **clause (b)** above, except to the extent cash collateralized or backstopped pursuant to arrangements reasonably acceptable to the relevant Issuing Lender, **provided** that no ABL Lender shall be required to fund participations in Letters of Credit after the maturity date applicable to its commitments).

Each Letter of Credit must comply with the relevant Issuing Lenders’ policies and procedures with respect thereto. Letters of Credit shall be issued on terms and conditions (including with respect to defaulting lenders) consistent with the ABL Facility Documentation Principles.

Purpose:

The letters of credit and proceeds of ABL Loans may be used by the Borrowers to pay the Debt Repayment and the Transaction Costs or for working capital and other general corporate purposes, including the financing of Permitted Acquisitions and other permitted investments and permitted dividends and any other use not prohibited by the ABL Facility Documentation.

Availability:

ABL Loans will be made available on the Closing Date:

- (i) to finance the Debt Repayment and fund all or portion of the Transaction Costs
- (ii) for general corporate purposes, including working capital in an aggregate amount to be agreed, and
- (iii) to finance any OID or upfront fees.

Additionally, Letters of Credit may be issued on the Closing Date in order to backstop or replace letters of credit outstanding on the Closing Date under the facilities no longer available to the Borrowers or any of their respective subsidiaries as of the Closing Date (and if the issuer of such letters of credit becomes an ABL Lender under the ABL Facility, such existing letters of credit may be deemed Letters of Credit outstanding under the ABL Facility). Otherwise, ABL Loans and Letters of Credit will be available at any time prior to the final maturity of the ABL Facility, in the case of ABL Loans, in minimum principal amounts to be agreed upon. Amounts repaid under the ABL Facility may be reborrowed.

Interest Rates:

The interest rates under the ABL Facility will be payable on amounts outstanding thereunder as follows:

U.S. ABL Facility

At the option of the U.S. Borrowers, initially, Adjusted LIBOR plus 1.875% or ABR plus 0.875%, which margins shall be subject to one step-down of 0.25% and one step-up of 0.25% commencing at the completion of the first full fiscal quarter completed after the Closing Date based on the daily average Specified Excess Availability with respect to the ABL Facility during the preceding quarter greater than 66.7% and less than 33.3%, respectively of the Line Cap.

The lesser of (A) the aggregate commitments in respect of the ABL Facility at any time and (B) the Borrowing Base (as defined below) at such time is referred to herein as the "**Line Cap**".

The term "**Specified Excess Availability**" as used herein means at any time, the sum of (a) the Excess Availability (as defined below), plus (b) the Specified Suppressed Availability (as defined below).

The term "**Specified Suppressed Availability**" means the lesser of: (a) the amount by which the Borrowing Base exceeds the aggregate commitments in respect of the ABL Facility at such time and (b) the amount equal to 5% of the aggregate commitments in respect of the ABL Facility at such time.

The term "**Qualified Cash**" means unrestricted cash and cash equivalents of the Loan Parties that are subject to the valid, enforceable and first priority perfected security interest and pledge of ABL Administrative Agent in an investment account, deposit account or other account at ABL Administrative Agent or another institution in each case subject to a control agreement in favor of ABL Administrative Agent or, in the case of Qualified Cash located in the U.K., a fixed charge in favor of the ABL Administrative Agent.

U.K. ABL Facility drawn in U.S. Dollars

At the option of the U.K. Borrowers, initially, Adjusted LIBOR plus 1.875% or ABR plus 0.875%, which margins shall be subject to one step-down of 0.25% and one step-up of 0.25% commencing at the completion of the first full fiscal quarter completed after the Closing Date based on the daily average Specified Excess Availability with respect to the ABL Facility during the preceding quarter greater than 66.7% and less than 33.3%, respectively of the Line Cap.

U.K. ABL Facility drawn in Euros and British pounds sterling

Initially, Adjusted LIBOR plus 1.875%, which margin shall be subject to one step-down of 0.25% and one step-up of 0.25% commencing at the completion of the first full fiscal quarter completed after the Closing Date based on the daily average Specified Excess Availability with respect to the ABL Facility during the preceding quarter greater than 66.7% and less than 33.3%, respectively of the Line Cap.

Canadian ABL Facility drawn in U.S. Dollars

At the option of the Canadian Borrowers, initially, Adjusted LIBOR plus 1.875% or Canadian Base Rate plus 0.875%, which margins shall be subject to one step-down of 0.25% and one step-up of 0.25% commencing at the completion of the first full fiscal quarter completed after the Closing Date based on the daily average Specified Excess Availability with respect to the ABL Facility during the preceding quarter greater than 66.7% and less than 33.3%, respectively of the Line Cap.

Canadian ABL Facility drawn in Canadian Dollars

At the option of the Canadian Borrowers, initially, Canadian BA Rate plus 1.875% or Canadian Prime Rate plus 0.875%, which margins shall be subject to one step-down of 0.25% and one step-up of 0.25% commencing at the completion of the first full fiscal quarter completed after the Closing Date based on the daily average Specified Excess Availability with respect to the ABL Facility during the preceding quarter greater than 66.7% and less than 33.3%, respectively of the Line Cap.

The Borrowers may elect interest periods of one, two, three or six months (or, if agreed to by all relevant Lenders, twelve months or a shorter period) for Adjusted LIBOR and Canadian BA Rate borrowings.

Calculation of interest shall be on the basis of the actual days elapsed in a year of 360 days (or 365 or 366 days, as the case may be, (i) in the case of ABR loans calculated by reference to **clause (i)** of the definition of ABR and (ii) in the case of all loans denominated in Canadian Dollars).

Interest shall be payable in arrears

(a) for loans accruing interest at a rate based on Adjusted LIBOR or the Canadian BA Rate, at the end of each interest period and, for interest periods of greater than 3 months, every three months, and on the applicable maturity date and any date of prepayment and

(b) for loans accruing interest based on the ABR, Canadian Base Rate or Canadian Prime Rate, quarterly in arrears and on the applicable maturity date and any date of prepayment.

There shall be no Adjusted LIBOR, Canadian BA Rate, ABR, Canadian Base Rate or Canadian Prime Rate floors for the ABL Facility; provided that in the event any of Adjusted LIBOR, the Canadian BA Rate, ABR, the Canadian Base Rate or the Canadian Prime Rate is less than zero, such rate will be deemed to be zero.

Adjusted LIBOR, Canadian BA Rate, ABR, Canadian Base Rate and Canadian Prime Rate will be defined in a customary manner consistent with the ABL Facility Documentation Principles. The ABL Facility Documentation shall include LIBOR replacement rate provisions reasonably acceptable to the ABL Administrative Agent and the Administrative Borrower (with any replacement rate being effective unless the Required Lenders object to such replacement rate in writing within five business days after receiving notice thereof).

Letter of Credit Fees:

A per annum fee equal to the spread over Adjusted LIBOR under the U.S. ABL Facility (in the case of Letters of Credit issued under the U.S. ABL Facility), the spread over Adjusted LIBOR under the U.K. ABL Facility (in the case of Letters of Credit issues under the U.K. ABL Facility), the spread over the Canadian BA Rate (in the case of Letters of Credit issued under the Canadian ABL Facility and denominated in Canadian Dollars) under the Canadian ABL Facility or the spread over Adjusted LIBOR under the Canadian ABL Facility (in the case of Letters of Credit issued under the Canadian ABL Facility and denominated in U.S. Dollars), as applicable, will accrue for the account of the applicable ABL Lenders (other than Defaulting ABL Lenders) on the aggregate face amount of outstanding Letters of Credit, payable in arrears at the end of each quarter, upon the termination of the respective Letter of Credit and upon the termination of the relevant ABL Facility, in each case for the actual number of days elapsed over a 360-day year. Such fees shall be distributed to such ABL Lenders pro rata in accordance with the amount of each such ABL Lender's relevant ABL Commitment. In addition, the relevant Borrowers shall pay to the relevant Issuing Lender, for its own account, (a) a fronting fee not to exceed 0.125% per annum of the aggregate face amount of each outstanding Letter of Credit issued by it, payable in arrears at the end of each quarter, upon the termination of the respective Letter of Credit and upon the termination of the relevant ABL Facility, in each case for the actual number of days elapsed over a 360-day year and (b) customary issuance, processing and administration fees to be agreed.

- Undrawn Commitment Fees: 0.225% per annum on the undrawn portion of the commitments in respect of the ABL Facility, payable to non-Defaulting ABL Lenders under the ABL Facility quarterly in arrears after the Closing Date and upon the termination of the commitments in respect of the ABL Facility, calculated based on the number of days elapsed in a 360-day year.
- Default Rate: With respect to overdue principal, at the applicable interest rate plus 2.00% per annum, and with respect to any other overdue amount (including overdue interest), at the interest rate applicable to ABR loans plus 2.00% per annum, which, in each case, shall be payable on demand.
- Final Maturity and Amortization: The ABL Facility will mature, and ABL Commitments will terminate, on the date that is five years after the Closing Date, provided, that, to the extent any material indebtedness of the Borrowers or their restricted subsidiaries that is permitted in accordance with the ABL Facility Documentation remains outstanding as of the date that is 91 days before the maturity date applicable to such material debt, a reserve may be placed by the ABL Administrative Agent against the Line Cap in an amount no greater than the outstanding principal amount of such material indebtedness (or such lesser amount as the ABL Administrative Agent may agree), with such reserve being effective no earlier than such 91st day prior to the applicable maturity date. The ABL Facility will not amortize.
- The ABL Facility Documentation shall contain “amend and extend” provisions pursuant to which individual Lenders may agree to extend the maturity date of their outstanding ABL Loans (which may include, among other things, an increase in the interest rates and fees (other than undrawn commitment fees) payable with respect to such extended Loans, which such extensions shall not be subject to any “default stopper”, financial tests or “most favored nation pricing provisions”) upon the request of the applicable Borrowers and without the consent of any other Lender (it being understood that (i) no existing Lender will have any obligation to commit to any such extension and (ii) each Lender under the class being extended shall have the opportunity to participate in such extension on the same terms and conditions as each other Lender under such class).
- Borrowing Base: The Borrowing Base (as defined below) shall be defined in a manner consistent with this Term Sheet, the ABL Precedent Documentation and subject to the ABL Facility Documentation Principles including with respect to eligibility criteria.
- The borrowing base (the “**U.S. Borrowing Base**”) applicable to the U.S. ABL Facility at any time shall equal the sum of, without duplication:
- (a) 85% of the net book value of the U.S. Borrowers’ and the U.S. ABL Guarantors’ eligible accounts receivable, plus
  - (b) the lesser of:

- (i) 95% of the net book value of the U.S. Borrowers' and the U.S. ABL Guarantors' eligible rental equipment (which shall include, without limitation, all modular building inventory, liquid containment and handling equipment, value added products and all steel frame modular inventory consisting of storage containers, ground level offices, panelized products and liquid storage and containment tanks) and
- (ii) the product of (x) 90% **multiplied** by (y) the lower of (A) cost and (B) net orderly liquidation value percentage identified in the most recent appraisal ordered by the ABL Administrative Agent multiplied by the net book value of the U.S. Borrowers' and the U.S. ABL Guarantors' eligible rental equipment (or, in the case of custom containers and ISO containers that are presold, the lower of (A) cost and (B) sales invoice price), plus
- (c) subject to a cap to be agreed (which, in any event, shall be no less than \$100.0 million) in respect of this **clause (c)** individually, and a shared cap to be agreed (which, in any event, shall be no less than \$150.0 million) in respect of this **clause (c)**, **clause (c)** of the U.K. Borrowing Base and **clause (c)** of the Canadian Borrowing Base, the sum of:
- (i) 90% of the net book value of the U.S. Borrowers' and the U.S. ABL Guarantors' eligible modular and container inventory held for sale (which shall include, without limitation, all steel frame modular inventory consisting of storage containers, ground level offices, panelized products and liquid containment tanks),
- (ii) 90% of net book value of the U.S. Borrowers' and the U.S. ABL Guarantors' eligible work in process modular and container inventory, and
- (iii) 65% of the cost of U.S. Borrowers' and the U.S. ABL Guarantors' eligible raw material inventory (or, in the case of steel, lumber, plywood, or paint, for purposes of fiscal year end calculations, 65% of the lower of the cost or market value of such eligible raw materials), in each case, other than any of the foregoing items that consist of eligible rental equipment which are subject to **clause (b)** above, plus
- (d) subject to a cap to be agreed, the sum of:
- (i) 85% of the NOLV of the U.S. Borrowers' and the U.S. ABL Guarantors' eligible machinery and equipment (other than rental equipment which is subject to **clause (b)** above), and

(ii) solely at the Administrative Borrower's option, 60% of the appraised fair market value of eligible real property (subject to appraisals, environmental assessments, flood insurance, mortgages and other customary requirements), **provided** that, for the avoidance of doubt, the inclusion of any of the foregoing assets described in **clause (i)** above or this **clause (ii)** shall not prevent the U.S. Borrowers or any restricted subsidiary from disposing of, or otherwise dealing with, such assets in a manner not prohibited by the ABL Facility Documentation, it being understood that to the extent any such transaction results in the release of such assets from the liens in favor of the Collateral Agent, such assets will no longer be eligible for inclusion the U.S. Borrowing Base, plus

(e) 100% of the U.S. Borrower's and the U.S. ABL Guarantors' Qualified Cash, minus

(f) customary reserves (as described below).

The borrowing base (the "**U.K. Borrowing Base**") applicable to the U.K. ABL Facility at any time shall equal the sum of, without duplication:

(a) 85% of the net book value of the U.K. Borrowers' and the U.K. ABL Guarantors' eligible accounts receivable, plus

(b) the lesser of:

(i) 95% of the net book value of the U.K. Borrowers' and the U.K. ABL Guarantors' eligible rental equipment (which shall include, without limitation, all modular building inventory, liquid containment and handling equipment, value added products and all steel frame modular inventory consisting of storage containers, ground level offices, panelized products and liquid storage and containment tanks), and

(ii) the product of (x) 90% **multiplied** by (y) the lower of (A) cost and (B) net orderly liquidation value percentage identified in the most recent appraisal ordered by the ABL Administrative Agent multiplied by the net book value of the U.K. Borrowers' and the U.K. ABL Guarantors' eligible rental equipment (or, in the case of custom containers and ISO containers that are presold, the lower of (A) cost and (B) sales invoice price), plus

(c) subject to a cap to be agreed (which, in any event, shall be no less than \$100.0 million) in respect of this **clause (c)** individually, and a shared cap to be agreed (which, in any event, shall be no less than \$150.0 million) in respect of this **clause (c)**, **clause (c)** of the U.S. Borrowing Base and **clause (c)** of the Canadian Borrowing Base, the sum of:

(i) 90% of the net book value of the U.K. Borrowers' and the U.K. ABL Guarantors' eligible modular and container inventory held for sale (which shall include, without limitation, all steel frame modular inventory consisting of storage containers, ground level offices, panelized products and liquid containment tanks),

(ii) 90% of net book value of the U.K. Borrowers' and the U.K. ABL Guarantors' eligible work in process modular and container inventory, and

(iii) 65% of the cost of the U.K. Borrowers' and the U.K. ABL Guarantors' eligible raw material inventory (or, in the case of steel, lumber, plywood, or paint, for purposes of fiscal year end calculations, 65% of the lower of the cost or market value of such eligible raw materials), in each case, other than any of the foregoing items that consist of eligible rental equipment which are subject to **clause (b)** above, plus

(d) subject to a cap to be agreed, the sum of 85% of the NOLV of the U.K. Borrowers' and the U.K. ABL Guarantors' eligible machinery and equipment (other than rental equipment which is subject to **clause (b)** above), **provided** that, for the avoidance of doubt, the inclusion of any of the foregoing assets shall not prevent the U.K. Borrowers or any restricted subsidiary from disposing of, or otherwise dealing with, such assets in a manner not prohibited by the ABL Facility Documentation, it being understood that to the extent any such transaction results in the release of such assets from the liens in favor of the Collateral Agent, such assets will no longer be eligible for inclusion the U.K. Borrowing Base, plus

(e) 100% of the U.K. Borrower's and the U.K. ABL Guarantors' Qualified Cash (it being understood that any such Qualified Cash shall be subject to a fixed charge in favor of the ABL Administrative Agent in order to be included in the U.K. Borrowing Base), plus

(f) the unutilized portion of (i) the U.S. Borrowing Base and (ii) the Canadian Borrowing Base, minus

(g) customary reserves (as described below).

The borrowing base (the "**Canadian Borrowing Base**" and, together with the U.S. Borrowing Base and the U.K. Borrowing Base, the "**Borrowing Base**") applicable to the Canadian ABL Facility at any time shall equal the sum of, without duplication:

- (a) 85% of the net book value of the Canadian Borrowers' and the Canadian ABL Guarantors' eligible accounts receivable, plus
- (b) the lesser of:
- (i) 95% of the net book value of the Canadian Borrowers' and the Canadian ABL Guarantors' eligible rental equipment (which shall include, without limitation, all modular building inventory, liquid containment and handling equipment, value added products and all steel frame modular inventory consisting of storage containers, ground level offices, panelized products and liquid storage and containment tanks), and
  - (ii) the product of (x) 90% **multiplied** by (y) the lower of (A) cost and (B) net orderly liquidation value percentage identified in the most recent appraisal ordered by the ABL Administrative Agent multiplied by the net book value of the Canadian Borrowers' and the Canadian ABL Guarantors' eligible rental equipment (or, in the case of custom containers and ISO containers that are presold, the lower of (A) cost and (B) sales invoice price), plus
- (c) subject to a cap to be agreed (which, in any event, shall be no less than \$100.0 million) in respect of this **clause (c)** individually, and a shared cap to be agreed (which, in any event, shall be no less than \$150.0 million) in respect of this **clause (c)**, **clause (c)** of the U.S. Borrowing Base and **clause (c)** of the U.K. Borrowing Base, the sum:
- (i) 90% of the net book value of the Canadian Borrowers' and the Canadian ABL Guarantors' eligible modular and container inventory held for sale (which shall include, without limitation, all steel frame modular inventory consisting of storage containers, ground level offices, panelized products and liquid containment tanks),
  - (ii) 90% of net book value of the Canadian Borrowers' and the Canadian ABL Guarantors' eligible work in process modular and container inventory, and
  - (iii) 65% of the cost of the Canadian Borrowers' and the Canadian ABL Guarantors' eligible raw material inventory, (except, in the case of steel, lumber, plywood, or paint where, for purposes of fiscal year end calculations in which case it is 65% of the lower of the cost or market value of such eligible raw materials), in each case, other than any of the foregoing items that consist of eligible rental equipment which are subject to **clause (b)** above, plus

(d) subject to a cap to be agreed, 85% of the NOLV of the Canadian Borrowers' and the Canadian ABL Guarantors' eligible machinery and equipment (other than rental equipment which is subject to **clause (b)** above); **provided** that, for the avoidance of doubt, the inclusion of any of the foregoing assets shall not prevent the Canadian Borrowers or any restricted subsidiary from disposing of, or otherwise dealing with, such assets in a manner not prohibited by the ABL Facility Documentation, it being understood that to the extent any such transaction results in the release of such assets from the liens in favor of the Collateral Agent, such assets will no longer be eligible for inclusion the Canadian Borrowing Base, plus

(e) 100% of the Canadian Borrower's and the Canadian ABL Guarantors' Qualified Cash, plus

(f) the unutilized portion of (i) the U.S. Borrowing Base and (ii) the U.K. Borrowing Base, minus

(g) customary reserves (as described below).

If the New Appraisals and Field Exams are not completed prior to the Closing Date, the Borrowing Base for purposes of drawings and Letters of Credit and determining availability under the ABL Facility on the Closing Date will be deemed to be equal to the lesser of (i) \$2,400.0 million and (ii) the sum of the borrowing bases under the Existing WS Credit Agreement and the Existing Company Credit Agreement as of the Original Execution Date and to be set forth on the Borrowing Base certificate delivered pursuant to **paragraph 7 of Exhibit C** to the Second Amended and Restated Commitment Letter (the “**Closing Borrowing Base**”). Thereafter, until the earlier of (a) the later of (x) January 31, 2021 and (y) 180th day after the Closing Date (or such later date as may be agreed to by the ABL Administrative Agent (without any requirement for Lender consent)) and (b) the date of receipt by the ABL Administrative Agent of the New WS Appraisals and Field Exams, the Borrowing Base will be determined based on the sum of the borrowing bases as calculated under the Existing WS Credit Agreement and the Existing Company Credit Agreement, it being understood that upon completion of the New WS Appraisals and Field Exams, the Borrowing Base shall be calculated in accordance with the definition of “Borrowing Base” based on the New WS Appraisals and Field Exams and the Existing Company Appraisals and Field Exams until such time as the New Company Appraisals and Field Exams shall be completed. In the event that the New WS Appraisals and Field Exams are not completed by the date specified in clause (a) of the second sentence of this paragraph, the Borrowing Base shall be deemed to be \$0 as of such date. In the event that the Closing Date occurs after July 31, 2020 and the Existing Appraisals and Field Exams relating to the Company are more than 180 days old as of the Closing Date, the Borrowing Base with respect to the Company shall be deemed to be \$0 as of the 120th day after the Closing Date unless the New Company Appraisals and Field Exams are completed on or prior to the 120th day after the Closing Date (or such later date as may be agreed by the ABL Administrative Agent (without any requirement for Lender consent)). Notwithstanding the foregoing or any other provision of this Second Amended and Restated Commitment Letter, it is agreed that regardless of the Borrowing Base calculations on the Closing Date, availability under the ABL Facility (whether calculated pursuant to Existing Appraisals and Field Exams or New Appraisals and Field Exams) shall be no less than \$2,200.0 million on and from the Closing Date until the 120th day after the Closing Date (or such later date as may be agreed by the ABL Administrative Agent (without any requirement for Lender consent)) (the “**Minimum Borrowing Base Amount**”).

Subject to the immediately preceding paragraph, the Borrowing Base will be computed by the Borrowers monthly and a certificate (the "**Borrowing Base Certificate**") presenting the Borrowers' computation of the Borrowing Base will be delivered to the ABL Administrative Agent no later than the 25th calendar day following the end of each calendar month; **provided, however**, that:

(x) during the continuance of a Specified Default (as defined below), or

(y) if Specified Excess Availability under the ABL Facility is less than the greater of (i) \$240.0 million and (ii) 10% of the Line Cap for five consecutive business days,

the Borrowers will be required to compute the Borrowing Base and deliver a Borrowing Base Certificate on a weekly basis (due no later than each Wednesday for the prior week) until the date on which Specified Excess Availability under the ABL Facility has been at least the greater of (i) \$240.0 million and (ii) 10% of the Line Cap for at least 20 consecutive calendar days and no Specified Default is outstanding during such 20 consecutive calendar day period. Additionally, the Borrowers will be required to compute the Borrowing Base and deliver a Borrowing Base Certificate any time there is a disposition of borrowing base collateral outside of the ordinary course of business in excess of an amount to be agreed.

The lesser of (A) the aggregate commitments in respect of the U.S. ABL Facility at any time and (B) the U.S. Borrowing Base at such time is referred to herein as the "**U.S. Line Cap**".

The lesser of (A) the aggregate commitments in respect of the U.K. ABL Facility at any time and (B) the U.K. Borrowing Base at such time is referred to herein as the "**U.K. Line Cap**".

The lesser of (A) the aggregate commitments in respect of the Canadian ABL Facility at any time and (B) the Canadian Borrowing Base at such time is referred to herein as the "**Canadian Line Cap**".

The establishment or increase of any reserve will be limited to the exercise by the ABL Administrative Agent of Reasonable Credit Judgment, upon at least five business days' prior written notice to the Administrative Borrower (which notice will include a reasonably detailed description of the reserve being established). During such five business day period, the ABL Administrative Agent will, if requested, discuss any such reserve or change with the Administrative Borrower, **provided** that the Borrowers shall not be permitted to borrow loans or amend or request the issuance of Letters of Credit in the aggregate in excess of the sum of the U.S. Line Cap, U.K. Line Cap and Canadian Line Cap (which, in each case, shall be calculated assuming the effectiveness of such proposed reserves), and the Administrative Borrower may take such action as may be required so that the event, condition or matter that is the basis for such reserve or change no longer exists or exists in a manner that would result in the establishment of a lower reserve (or no reserve) or result in a lesser change, in each case, in a manner and to the extent reasonably satisfactory to the ABL Administrative Agent. Notwithstanding anything to the contrary herein, (a) the amount of any such reserve or change will be a reasonable quantification of the incremental dilution of the Borrowing Base attributable to the event, condition or other matter that is the basis for such reserve or such change and (b) no reserves or changes will be duplicative of reserves or changes already accounted for through eligibility criteria (including collection/advance rates).

**"Reasonable Credit Judgment"** means the ABL Administrative Agent's reasonable credit judgment (from the perspective of a secured asset-based lender) made in good faith in accordance with customary business practices for comparable asset based lending transactions, and as it relates to the establishment or adjustment of reserves or establishment or adjustment of any ineligibility shall require that:

- (a) such establishment, adjustment or modification be based on the analysis of facts or events first occurring (including the coming into effect of any change in law) or discovered after the Closing Date that are materially different from the facts or events occurring or discovered on or prior to the Closing Date, unless the Administrative Borrower and the ABL Administrative Agent agree in writing,
- (b) the contributing factors to such establishment, adjustment or modification shall not duplicate (i) any other exclusionary criteria set forth in the definitions of eligible accounts, eligible rental equipment, eligible inventory or any other eligibility terms as applicable (and vice versa), (ii) any reserves deducted in computing book value and (iii) other factors to be agreed, and
- (c) the amount of any such reserve or ineligibility criteria so established or the effect of any adjustment or modification thereto shall be a reasonable quantification (as reasonably determined by the ABL Administrative Agent) of the incremental dilution of the Borrowing Base attributable to such contributing factors.

**“Eligible Account”, “Eligible Cabin Fleet Inventory”, “Eligible Container Fleet Inventory”, “Eligible Container Inventory Held For Sale”, “Eligible Goods Inventory”, “Eligible Machinery and Equipment”, “Eligible Raw Materials Inventory”, “Eligible Real Property”, “Eligible Rental Equipment”, “Eligible Rental Fleet Inventory”, “Eligible Trailer Fleet Inventory”, “Specified Default”, “Eligible Work-In-Process Container Inventory”, “Net Orderly Liquidation Value”, “Reserves”,** and components of each of the foregoing and the Borrowing Base definition will be defined in a manner consistent with the ABL Facility Documentation Principles.

Notwithstanding anything to the contrary contained herein, overadvances and protective advances may be made in a manner consistent with the ABL Facility Documentation Principles for up to 20 business days and shall not exceed at any time 5% of the Borrowing Base.

Guarantees:

Subject to the limitations set forth below in this section and subject to the Certain Funds Provisions,

- (A) (i) all obligations of the U.S. Borrowers under the ABL Facility (“**Borrower U.S. ABL Obligations**”) and
- (ii) all obligations of any U.S. Borrower or any U.S. ABL Guarantor (as defined below) under any interest rate protection, currency exchange, commodity hedging or other swap or hedging arrangements (other than any obligation of any U.S. ABL Guarantor 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 (each, a “**Swap**”), if, and to the extent that, all or a portion of the guarantee by such U.S. ABL Guarantor of, or the grant by such U.S. ABL Guarantor of a security interest to secure, such Swap (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation, or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such U.S. ABL Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder (collectively, “**U.S. Excluded Swap Obligations**”), and obligations of any U.S. Borrower or any U.S. ABL Guarantor under cash management arrangements, in each case entered into with a Lender, ABL Lead Arranger, the ABL Administrative Agent or any affiliate of a Lender, ABL Lead Arranger or the ABL Administrative Agent (“**U.S. Hedging/Cash Management Arrangements**”) and, together with the Borrower U.S. ABL Obligations, the “**U.S. ABL Secured Obligations**”) will be unconditionally guaranteed jointly and severally on a senior basis (the “**U.S. ABL Guarantees**”) by Holdings and each existing and subsequently acquired or organized direct or indirect wholly-owned U.S. organized material restricted subsidiary (including each U.S. Borrower) of Holdings (collectively, the “**U.S. ABL Guarantors**”),
- (B) (i) all obligations of the U.K. Borrowers under the ABL Facility (“**Borrower U.K. ABL Obligations**”) and

(ii) all obligations of any U.K. Borrower or any U.K. ABL Guarantor (as defined below) under a Swap (other than any such obligation under a Swap if, and to the extent that, all or a portion of the guarantee by such U.K. ABL Guarantor of, or the grant by such U.K. ABL Guarantor of a security interest to secure, such Swap (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation, or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such U.K. ABL Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder (collectively, "**U.K. Excluded Swap Obligations**")), and obligations of any U.K. Borrower or any U.K. ABL Guarantor under cash management arrangements, in each case entered into with a Lender, ABL Lead Arranger, the ABL Administrative Agent or any affiliate of a Lender, ABL Lead Arranger or the ABL Administrative Agent ("**U.K. Hedging/Cash Management Arrangements**") and, together with the Borrower U.K. ABL Obligations, the "**U.K. ABL Secured Obligations**") will be unconditionally guaranteed jointly and severally on a senior basis (the "**U.K. ABL Guarantees**") by Holdings, each U.S. Borrower, each U.S. ABL Guarantor and each existing and subsequently acquired or organized direct or indirect wholly-owned material restricted subsidiary of Holdings organized under the laws of the U.S., England and Wales (including the U.K. Borrowers) and Canada (including the Canadian Borrowers) (collectively, the "**U.K. ABL Guarantors**") and

(C) (i) all obligations of the Canadian Borrowers under the ABL Facility (“**Borrower Canadian ABL Obligations**” and, together with the Borrower U.S. ABL Obligations and the Borrower U.K. ABL Obligations, the “**Borrower ABL Obligations**”) and (ii) all obligations of any Canadian Borrower or any Canadian ABL Guarantor (as defined below) under a Swap (other than any such obligation under a Swap if, and to the extent that, all or a portion of the guarantee by such Canadian ABL Guarantor of, or the grant by such Canadian ABL Guarantor of a security interest to secure, such Swap (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation, or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Canadian ABL Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder (collectively, “**Canadian Excluded Swap Obligations**” and, together with U.S. Excluded Swap Obligations and the U.K. Excluded Swap Obligations, “**Excluded Swap Obligations**”), and obligations of any Canadian Borrower or any Canadian ABL Guarantor under cash management arrangements, in each case entered into with a Lender, ABL Lead Arranger, the ABL Administrative Agent or any affiliate of a Lender, ABL Lead Arranger or the ABL Administrative Agent (“**Canadian Hedging/Cash Management Arrangements**” and, together with U.S. Hedging/Cash Management Arrangements and U.K. Hedging/Cash Management Arrangements, “**Hedging/Cash Management Arrangements**”; and, together with the Borrower Canadian ABL Obligations, the “**Canadian ABL Secured Obligations**”; and together with the U.S. ABL Secured Obligations and the U.K. ABL Secured Obligations, the “**ABL Secured Obligations**”) will be unconditionally guaranteed jointly and severally on a senior basis (the “**Canadian ABL Guarantees**” and together with the U.S. ABL Guarantees and the U.K. ABL Guarantees, the “**ABL Guarantees**”) by Holdings, each U.S. Borrower, each U.S. ABL Guarantor, each U.K. Borrower, each U.K. ABL Guarantor and each existing and subsequently acquired or organized direct or indirect wholly-owned material restricted subsidiary of Holdings organized under the laws of Canada or any province or territory thereof (including the Canadian Borrowers), the U.S. and England and Wales (collectively, the “**Canadian ABL Guarantors**”, and together with the U.S. ABL Guarantors and the U.K. ABL Guarantors, the “**ABL Guarantors**”); the Borrowers and the ABL Guarantors are herein referred to as the “**ABL Loan Parties**”;

**provided** that the ABL Guarantors shall not include

- (a) unrestricted subsidiaries,
- (b) immaterial subsidiaries (to be defined by reference to individual revenues and assets excluded and the aggregate revenues and assets of the overall restricted group excluded),

(c) any subsidiary that is prohibited by applicable law, rule or regulation or by any contractual obligation existing on the Closing Date or on the date any such subsidiary is acquired (so long as in respect of any such contractual prohibition such prohibition is not incurred in contemplation of such acquisition), in each case, from guaranteeing the ABL Secured Obligations or which would require governmental (including regulatory) or unaffiliated third party consent, approval, license or authorization to provide a guarantee (unless such consent, approval, license or authorization has been received),

(d) any subsidiary for which the provision of a Guarantee would result in a material adverse tax or regulatory consequence to WS, the U.S. Borrowers or one of their respective subsidiaries, a material adverse tax or regulatory consequence to the U.K. Borrowers or one of their respective subsidiaries or a material adverse tax or regulatory consequence to the Canadian Borrowers or one of their respective subsidiaries (in each case as reasonably determined by the Administrative Borrower in consultation with the ABL Administrative Agent), and

(e) with respect to the Borrower U.S. ABL Obligations only, any direct or indirect U.S. subsidiary of a direct or indirect non-U.S. subsidiary of any U.S. Borrower that is a “controlled foreign corporation” within the meaning of Section 957 of the Internal Revenue Code of 1986, as amended (any such non-U.S. subsidiary, a “CFC”) and any direct or indirect U.S. subsidiary of a U.S. Borrower that has no material assets (directly or through one or more disregarded entities) other than equity of one or more direct or indirect non-U.S. subsidiaries that are CFCs (any such entity, a “FSHCO”), and

(f) certain special purpose entities, if any.

Notwithstanding the foregoing, subsidiaries may be excluded from the guarantee requirements in circumstances where the Administrative Borrower and the ABL Administrative Agent reasonably agree that the cost of providing such a guarantee outweighs the value afforded thereby.

Security:

Subject to the limitations set forth below in this section, and, on the Closing Date, the Certain Funds Provisions, the ABL Secured Obligations and the ABL Guarantees will be secured by

(a) a perfected first priority (subject to permitted liens) pledge of 100% of the equity interests of the Borrowers and ABL Guarantors and of each direct, wholly-owned material restricted subsidiary of any Borrower or any ABL Guarantor (which pledge securing U.S. ABL Secured Obligations of the U.S. Borrowers and the U.S. ABL Guarantors, in the case of capital stock of any CFC or FSHCO, shall be limited to 65% of the voting capital stock and 100% of the non-voting capital stock of such CFC or FSHCO) and

(b) perfected first priority security interests in, and mortgages on, substantially all tangible and intangible personal property and all material fee-owned domestic U.S. real property above an agreed threshold (**provided**, that to the extent any such U.S. real property is located in a flood zone, it may be excluded from the Collateral at the sole option of the Administrative Borrower) of the Borrowers and the ABL Guarantors (including but not limited to equipment, receivables, inventory, cash, deposit accounts, securities accounts, commodity accounts, general intangibles (including contract rights), investment property, intellectual property, intercompany notes, instruments, chattel paper and documents, letter of credit rights, commercial tort claims and proceeds of the foregoing)

(the items described in **clauses (a) and (b)** above, but excluding “Excluded Assets” (as defined below), collectively, the “**Collateral**”). Notwithstanding anything herein to the contrary, the assets of the U.K. Borrowers, U.K. ABL Guarantors, Canadian Borrowers and Canadian ABL Guarantors (other than, in each case, U.S. Borrowers and U.S. ABL Guarantors) shall not secure the U.S. ABL Secured Obligations. Security documentation in respect of the U.K. Borrowers and U.K. ABL Guarantors shall include a qualifying floating charge subject to exceptions consistent with the Documentation Principles.

“**Excluded Assets**” shall mean:

(a) any lease, license, franchise, charter, authorization, contract or agreement to which any ABL Loan Party is a party, and any of its rights or interest thereunder, or any property subject to a purchase money security interest, capital lease obligation or similar arrangement not prohibited by the ABL Facility Documentation, in each case, if and to the extent that the grant of a security interest therein (i) is prohibited by or would violate any law, rule or regulation applicable to any Loan Party or (ii) is prohibited by or would violate any term, provision or condition of such lease, license, franchise, charter, authorization, contract, agreement or arrangement, or would create a right of termination in favor of any unaffiliated third party thereto or otherwise require consent thereunder (**provided that** there shall be no obligation to obtain such consent), except, in each case, to the extent such prohibition is rendered ineffective under the Uniform Commercial Code, the Personal Property Security Act or other applicable law; **provided, however**, that the Collateral shall include at such time as the contractual or legal prohibition shall no longer be applicable and to the extent severable, any portion of such lease, license, franchise, charter, authorization, contract, agreement, arrangement or other property not subject to the prohibitions specified in clause (i) or (ii) above (in each case, after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code, the Personal Property Security Act or other applicable law); **provided, further**, that the exclusions referred to in this clause (a) shall not include any proceeds of any such lease, license, franchise, charter, authorization, contract, agreement, arrangement or property which are not otherwise Excluded Assets;

(b) (i) voting equity interests of a CFC or FSHCO in excess of 65% of the voting stock owned by any ABL Loan Party (but, for the avoidance of doubt, 100% of any non-voting stock will be included in the Collateral); **provided** that the limitation described in this **clause (b)(i)** shall only apply with respect to securing U.S. ABL Secured Obligations incurred by the U.S. Borrower or U.S. ABL Guarantors,

(ii) equity interests in joint ventures or any non-wholly-owned subsidiaries to the extent not permitted by the terms of such person's organizational or joint venture documents or to the extent requiring the consent of one or more unaffiliated third parties (provided that there shall be no obligation to obtain such consent), except to the extent such provision is rendered ineffective under the Uniform Commercial Code, the Personal Property Security Act or other applicable law and

(iii) equity interests in immaterial subsidiaries (except to the extent perfected by the filing of a financing statement under the UCC or PPSA), unrestricted subsidiaries, captive insurance subsidiaries, special purpose subsidiaries and not-for-profit subsidiaries;

(c) any "intent-to-use" application for registration of a trademark filed pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. § 1051, prior to the filing of a "Statement of Use" pursuant to Section 1(d) of the Lanham Act, to the extent that, and during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of any registration that issues from such intent-to-use application under applicable federal law;

(d) (i) any non-U.S. interest in real property,

(ii) any leasehold interest (including any ground lease interest) in real property and

(iii) any fee interest in owned real property with a fair market value of less than an amount to be agreed

(any real property not so excluded being "**Material Real Property**");

(e) assets, if and to the extent that a security interest in such asset

(i) is prohibited by or in violation of any law, rule or regulation applicable to Holdings or any subsidiary of Holdings or

(ii) requires a consent of any governmental authority that has not been obtained,

except, in the case of **clauses (i) and (ii)**, to the extent such prohibition or consent is rendered ineffective under the Uniform Commercial Code, the Personal Property Security Act or other applicable law; **provided, however**, that the Collateral shall include (and such security interest shall attach) at such time as the legal prohibition or requirement for consent shall no longer be applicable and to the extent severable, shall attach to any portion of such assets not subject to the prohibitions specified in **clause (i) or (ii)** above (in each case, after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code, the Personal Property Security Act or other applicable law); **provided, further**, that the exclusions referred to in this **clause (e)** shall not include any proceeds of any such assets which are not otherwise Excluded Assets;

(f) margin stock;

(g) security interests to the extent the same would result in material adverse tax or regulatory consequences to WS, the Borrowers or one of their respective restricted subsidiaries as reasonably determined by the Administrative Borrower in consultation with the ABL Administrative Agent; and

(h) other exceptions to be agreed;

**provided** that the Excluded Assets listed under paragraphs (d)(i), (ii) and (iii) shall not be excluded solely to the extent a security interest therein will attach via the all asset security granted by way of floating charge by the U.K. Borrowers and the U.K. ABL Guarantors.

Notwithstanding the foregoing, assets will also be excluded from the Collateral in circumstances where the Administrative Borrower and the ABL Administrative Agent reasonably agree that the costs of obtaining, perfecting or maintaining a security interest in such assets outweigh the benefit to the ABL Lenders afforded thereby.

In addition,

(a) no perfection actions shall be required with respect to

(i) letter of credit rights, except to the extent constituting a supporting obligation for other Collateral or as to which perfection is accomplished solely by the filing of a UCC or PPSA financing statement or equivalent (it being understood that no actions shall be required to perfect a security interest in letter of credit rights, other than the filing of a UCC or PPSA financing statement or equivalent),

(ii) commercial tort claims with a value of less than an amount to be agreed and

- (iii) promissory notes evidencing debt for borrowed money in a principal amount of less than an amount to be agreed,
- (b) no actions in any non-U.S./U.K./Canada jurisdiction or required by the laws of any non-U.S./U.K./Canada jurisdiction shall be required to be taken to create any security interests in assets located or titled outside of the U.S., U.K. or Canada or to perfect or make enforceable any security interests in any such assets (it being understood that there shall be no security agreements or pledge agreements governed under the laws of any non U.S./U.K./Canada jurisdiction (unless the Administrative Borrower otherwise elects (it being understood that the Administrative Borrower may elect to take such actions to address reserve and/or eligibility criteria and such agreements are on terms reasonably acceptable to the ABL Administrative Agent))), and
- (c) perfection with respect to rental equipment that is subject to a certificate of title shall only be required to be perfected within (i) one hundred twenty (120) days (or such longer period as the ABL Administrative Agent shall agree) following the Closing Date or (ii) in the case of after acquired property, ninety (90) days (or such longer period as the ABL Administrative Agent shall agree) following the date of acquisition, it being understood that during such one hundred twenty (120) day period (or such longer period, if applicable), such rental equipment owned as of the Closing Date shall not be excluded from the Borrowing Base for reason of not being subject to a perfected lien.

The Borrowers and the ABL Guarantors shall be required to record the ABL Administrative Agent's liens on title certificates relating to any rental fleet equipment and containers that are subject to certificate of title laws to the extent required by applicable law for the perfection of such liens.

All the above-described pledges, security interests and mortgages shall be created on terms consistent with the ABL Facility Documentation Principles and none of the Collateral shall be subject to other pledges, security interests or mortgages, other than (i) to the extent secured, permitted liens securing the Notes, and (ii) certain other customary permitted encumbrances and other exceptions and baskets to be set forth in the ABL Facility Documentation, consistent with the ABL Facility Documentation Principles. Liens on assets that are transferred to a Person that is not (and is not required to be) a Loan Party in a transaction not prohibited by the ABL Facility Documentation and liens on Excluded Assets shall be automatically released. Subject to a receipt of an officer's certificate of the Administrative Borrower, the applicable ABL Administrative Agent shall execute such acknowledgments and releases as the Administrative Borrower may request in connection with any such release, and the ABL Administrative Agent shall be entitled to rely exclusively on an officer's certificate of the Administrative Borrower when executing any such acknowledgment or release.

With respect to real property, the ABL Administrative Agent or the Administrative Borrower shall give at least 45 days prior written notice to the ABL Lenders prior to the execution and delivery of the mortgage thereon and, prior to the execution and delivery thereof, the ABL Lenders shall have completed all flood insurance due diligence and complied with all applicable law relating to flood insurance.

Notwithstanding anything to the contrary contained herein, the requirements of the preceding paragraphs in this “Security” section shall be subject to the Certain Funds Provision.

Intercreditor Agreement:

Subject to the ABL Facility Documentation Principles, the relative rights and priorities in the Collateral for the secured parties under (a) the ABL Facility, (b) to the extent the Notes are secured, the holders of such Notes, and (c) certain other existing or future indebtedness of the Loan Parties will be set forth in a customary intercreditor agreement consistent with the ABL Facility Documentation Principles (the “**Intercreditor Agreement**”).

Cash Management and Cash  
Dominion:

The Borrowers and the ABL Guarantors shall use commercially reasonable efforts to obtain account control agreements on their deposit accounts and securities accounts, but in any event excluding deposit accounts and securities accounts that:

- (i) are used for the sole purpose of making payroll and withholding tax payments related thereto and other employee wage and benefit payments and accrued and unpaid employee compensation (including salaries, wages, benefits and expense reimbursements),
- (ii) are used solely for paying taxes, including sales taxes,
- (iii) are used solely as an escrow account or solely as a fiduciary or trust account or
- (iv) individually or in the aggregate with all other accounts being treated as excluded accounts pursuant to this clause (iv) have a daily balance of less than an amount to be agreed (collectively, “**Excluded Accounts**”)

as soon as possible and in any event within 120 days after the Closing Date (or such later date as the ABL Administrative Agent shall reasonably agree). If such arrangements are not obtained within 120 days after the Closing Date (or such later date as the ABL Administrative Agent shall reasonably agree), the Borrowers and the ABL Guarantors shall be required to move their bank accounts to the ABL Administrative Agent or another bank that will provide such control agreements. During a Cash Dominion Period (as defined below), all amounts in controlled accounts will be swept into a collection account (or accounts) maintained with the ABL Administrative Agent and used to repay borrowings under the ABL Facility, subject to customary exceptions, limitations and thresholds to be agreed and in any event consistent with the ABL Facility Documentation Principles; provided that in no event shall the cash management and cash dominion provisions to be set forth in the ABL Facility Documentation be any more burdensome or onerous to the Loan Parties than the existing cash management and cash dominion provisions applicable to the Administrative Borrower and the Company on the Original Execution Date under the Existing WS Credit Agreement and the Existing Company Credit Agreement, as applicable. Notwithstanding the foregoing, solely to the extent provided in the Existing Company Credit Agreement and related documentation, the U.K. Borrowers and the U.K. ABL Guarantors shall enter into such cash management arrangements as are necessary to establish a fixed charge over collection accounts and during a Cash Dominion Period, the ABL Administrative Agent shall be entitled to refile a fixed charge debenture at its own discretion.

**“Cash Dominion Period”** means

- (a) the period from the date that Specified Excess Availability shall have been less than the greater of (x) 10% of the Line Cap and (y) \$240.0 million, for five consecutive business days to the date Specified Excess Availability shall have been at least the greater of (x) 10% of the Line Cap and (y) \$240.0 million for twenty consecutive calendar days or
- (b) upon the occurrence of a Specified Default, the period that such Specified Default shall be continuing.

Excess Availability:

“**Excess Availability**” shall mean, at any time, an amount equal to:

- (a) the Line Cap **minus**
- (b) the sum of:
  - (i) the aggregate principal amount of all ABL Loans then outstanding under the ABL Facility **plus**
  - (ii) the maximum aggregate stated amounts of all then-outstanding letters of credit under the ABL Facility **plus**
  - (iii) all amounts drawn but unreimbursed under letters of credit at such time under the ABL Facility.

Mandatory Prepayments:

If at any time, the aggregate amount of outstanding ABL Loans under the U.S. ABL Facility, unreimbursed letter of credit drawings and undrawn letters of credit under the U.S. ABL Facility exceeds the U.S. Line Cap, then the U.S. Borrowers will repay outstanding ABL Loans under the U.S. ABL Facility and cash collateralize outstanding letters of credit in an aggregate amount equal to such excess, with no reduction of the U.S. ABL Commitments.

If at any time, the aggregate amount of outstanding ABL Loans under the U.K. ABL Facility, unreimbursed letter of credit drawings and undrawn letters of credit under the U.K. ABL Facility exceeds the U.K. Line Cap, then the U.K. Borrowers will repay outstanding ABL Loans under the U.K. ABL Facility and cash collateralize outstanding letters of credit in an aggregate amount equal to such excess, with no reduction of the U.K. ABL Commitments. The U.K. ABL Facility will also be subject to mandatory prepayments as a result of currency fluctuations on terms consistent with the ABL Facility Documentation Principles.

If at any time, the aggregate amount of outstanding ABL Loans under the Canadian ABL Facility, unreimbursed letter of credit drawings and undrawn letters of credit under the Canadian ABL Facility exceeds the Canadian Line Cap, then the Canadian Borrowers will repay outstanding ABL Loans under the Canadian ABL Facility and cash collateralize outstanding letters of credit in an aggregate amount equal to such excess, with no reduction of the Canadian ABL Commitments. The Canadian ABL Facility will also be subject to mandatory prepayments as a result of currency fluctuations on terms consistent with the ABL Facility Documentation Principles.

Following the occurrence and during the continuation of a Cash Dominion Period, net cash receipts (with exceptions to be agreed in the ABL Facility Documentation in a manner consistent with the ABL Facility Documentation Principles) will be promptly applied by the ABL Administrative Agent in a manner consistent with the ABL Facility Documentation Principles to repay outstanding ABL Loans and to cash collateralize outstanding Letters of Credit.

Voluntary Prepayments and Reductions in Commitments:

Voluntary reductions of the unutilized portion of the ABL Commitments and voluntary prepayments of borrowings under the ABL Facility will be permitted at any time, in minimum principal amounts to be agreed upon, without premium or penalty, subject to reimbursement of the Lenders' redeployment costs in the case of a prepayment of Adjusted LIBOR borrowings other than on the last day of the relevant interest period.

Conditions to Initial Borrowing:

Subject to the Certain Funds Provisions, the availability of the initial borrowing and other extensions of credit under the ABL Facility on the Closing Date will be subject solely to (a) the applicable conditions set forth in **Section 6** of the Second Amended and Restated Commitment Letter (subject to the Certain Funds Provisions), (b) delivery of a customary borrowing notice (*provided* that such notice shall not include any representation or statement as to the absence (or existence) of any default or event of default or the accuracy of representations and warranties), and (c) subject to the Minimum Borrowing Base Amount, availability under the Borrowing Base or the Closing Borrowing Base, as applicable, and (d) the applicable conditions set forth in **Exhibit C** to the Second Amended and Restated Commitment Letter.

Conditions to Subsequent Borrowings: After the Closing Date, the making of each extension of credit under the ABL Facility shall be conditioned upon:

- (a) delivery of a customary borrowing/issuance notice (*provided* that such notice shall not include any representation or statement as to the absence (or existence) of any default or event of default or the accuracy of representations and warranties except as described in the following **clauses (b) and (c)**),
- (b) the accuracy of representations and warranties in all material respects (or, if any such representations or warranties are qualified by materiality, material adverse effect or similar language, in all respects),
- (c) the absence of defaults or events of default at the time of, and after giving effect to the making of, such extension of credit and
- (d) availability under the Borrowing Base or the Closing Borrowing Base, as applicable.

ABL Facility Documentation:

The definitive financing documentation for the ABL Facility (the "**ABL Facility Documentation**") including, for the avoidance of doubt, the Intercreditor Agreement, shall be drafted by counsel to the Administrative Borrower based on and shall be no less favorable than (except as expressly contemplated herein) the Existing WS Credit Agreement and related loan documentation (the "**ABL Precedent Documentation**") and, in any event, shall be no less favorable to the Borrowers than the Existing Company Credit Agreement and shall contain the terms set forth in this **Exhibit B**, including only those mandatory prepayments, representations and warranties, conditions to borrowing, affirmative, negative and financial covenants and events of default set forth herein and, to the extent any other terms are not expressly set forth in this **Exhibit B**, will

- (i) be negotiated in good faith within a reasonable time period to be determined based on the expected Closing Date and
- (ii) contain such other terms as the Borrowers and the ABL Lead Arrangers shall reasonably agree;

**provided** that such ABL Precedent Documentation shall be further modified by the terms set forth herein and shall be subject to

- (i) materiality qualifications and other exceptions that give effect to and/or permit the Transactions,
- (ii) baskets, thresholds and exceptions that are to be agreed in light of the Consolidated EBITDA, total assets and leverage level of Holdings and its subsidiaries (after giving effect to the Transactions),
- (iii) such other modifications to reflect the operational and strategic requirements of Holdings and its subsidiaries (after giving effect to the Transactions) in light of their size, total assets, geographic locations, industry (and risks and trends associated therewith), businesses, business practices, operations, financial accounting and the Projections,
- (iv) modifications to reflect changes in law or accounting standards since the date of the ABL Precedent Documentation (including customary flood provisions and other real property related provisions) and
- (v) modifications to reflect reasonable administrative agency and operational requirements of the ABL Administrative Agent as agreed to by the Administrative Borrower (acting reasonably)

provided, further, that if the Existing WS Notes remain outstanding on the Closing Date, the ABL Lenders will consent to the terms of, and the ABL Administrative Agent will enter into a joinder or similar instrument in respect of, the intercreditor agreement applicable to the Existing WS Credit Agreement and the Existing WS Notes (collectively, the “**ABL Facility Documentation Principles**”).

Limited Condition Provision:

In the case of the incurrence of any indebtedness or liens or the making of any investments, restricted payments, prepayments of Junior Debt, asset sales or fundamental changes or the designation of any restricted subsidiaries or unrestricted subsidiaries, in each case, in connection with any Limited Condition Transaction, each at the Administrative Borrower's option, any relevant ratios and baskets shall be determined, the accuracy of representations and warranties in all material respects (other than, in the case of **clause (a)** below, the Specified Representations or, at the option of the Administrative Borrower, European "certain funds" representations) shall be determined, any default or event of default blocker shall be tested or the Payment Conditions shall be tested,

(a) in the case of any acquisition or other similar investment (including with respect to any debt to be incurred in connection therewith), either, at the option of the Administrative Borrower,

(i) as of the date the definitive acquisition agreement for such acquisition or other similar investment is entered into,

(ii) at the time that binding commitments to provide any debt to be incurred in connection therewith are provided or at the time such debt is incurred or

(iii) at the time of the consummation of the relevant acquisition or other similar investment,

(b) in the case of any restricted payment (including with respect to any debt to be incurred in connection therewith), either, at the option of the Administrative Borrower, (i) at the time of the declaration of such restricted payment, (ii) at the time that binding commitments to provide any debt to be incurred in connection therewith are provided or at the time such debt is incurred or (iii) at the time of the making of such restricted payment and/or

(c) in the case of any irrevocable debt repurchase or repayment (including with respect to any debt to be incurred in connection therewith), either, at the option of the Administrative Borrower, (i) at the time of delivery of notice with respect to such repurchase or repayment, (ii) at the time that binding commitments to provide any debt to be incurred in connection therewith are provided or at the time such debt is incurred or (iii) at the time of the making of such repurchase or repayment, in each case after giving effect to the relevant transaction, any related debt (including the intended use of proceeds thereof) and all other permitted pro forma adjustments on a pro forma basis;

**provided**, that if the Administrative Borrower has made such an election, in connection with the calculation of any ratio or basket on or following the such date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the definitive agreement for such Limited Condition Transaction is terminated or expires or such irrevocable notice is rescinded, as applicable, any such ratio or basket shall be calculated on a pro forma basis assuming such Limited Condition Transaction and other pro forma events in connection therewith (including any incurrence of indebtedness) have been consummated, provided further, that (i) the meeting of the Payment Conditions shall only be subject to this paragraph to the extent such determination or testing occurs no earlier than sixty (60) days prior to the consummation of the relevant transaction, (ii) to the extent such Limited Condition Transaction is in connection with a dividend, a reserve shall be established in an amount no greater than the amount of such dividend (or such lesser amount as the ABL Administrative Agent shall agree) at the time of such declaration. Notwithstanding the foregoing, (i) the conditions regarding any borrowing under the ABL Facility (except to the extent contemplated in the “Incremental Facilities” section above) or any issuance, amendment or extension of a Letter of Credit shall be tested at the time of such credit extension and shall not be subject to the Limited Condition Provision and (ii) the assets of the target of any Limited Condition Transaction that is an acquisition or other similar investment shall not be included in the Borrowing Base until the date on which such Limited Condition Transaction is consummated. The provisions of this paragraph are referred to herein as the “**Limited Condition Provision**”.

As used herein, “**Limited Condition Transaction**” means any acquisition or other similar investment, irrevocable debt repurchase or repayment, or restricted payment (including with respect to any debt contemplated or incurred in connection therewith) by the Administrative Borrower or one or more of its restricted subsidiaries permitted pursuant to the ABL Facility Documentation whose consummation is not conditioned on the availability of, or on obtaining, third party financing.

Representations and Warranties:

Limited to the following (to be applicable to the Borrowers and their respective restricted subsidiaries and Holdings (solely as it relates to its organizational status and good standing, power and authority, execution, delivery and enforceability of its guarantee and its pledge of equity interests of the Administrative Borrower)): corporate status; power and authority; with respect to the ABL Facility Documentation, no violation of law, organizational documents or material agreements; no material litigation; margin regulations; material governmental approvals; Investment Company Act; true and complete disclosure in all material respects on the Closing Date; financial condition and financial statements; taxes; employee benefit plans, ERISA and Canadian pension plan matters and UK pension plans; capital structure; intellectual property; environmental laws; properties; solvency (defined in a manner consistent with Annex I attached to Exhibit C); accounts; OFAC, sanctions laws, Patriot Act, Canadian AML Legislation, FCPA, the Corruption of Foreign Public Officials Act (Canada) and other applicable anti-corruption, anti-money laundering and anti-bribery laws and regulations and other similar laws; compliance with applicable law; insurance; labor matters; no default; and ownership of unit interests by WillScot Equipment II, LLC, subject, where applicable, in the case of each of the foregoing representations and warranties, to qualifications and limitations for materiality to be provided in the ABL Facility Documentation, which shall be substantially consistent with the qualifications and limitations for materiality provided in the ABL Facility Precedent Documentation, after giving effect to the ABL Facility Documentation Principles and which shall be subject to the Certain Funds Provisions. In addition, the ABL Facility Documentation will contain a representation from each ABL Lender that it is not an employee benefit plan under ERISA or an entity that holds plan assets under ERISA. Representations and warranties shall be substantially consistent with the exceptions and qualifications provided in the ABL Facility Precedent Documentation, after giving effect to the ABL Facility Documentation Principles. The representations and warranties set forth in the ABL Facility Documentation will be required to be made in connection with the effectiveness of the ABL Facility on the Closing Date, except that the failure of any representation or warranty (other than the Specified Representations and the Specified Acquisition Agreement Representations) to be true and correct in all material respects (or, if any such representations or warranties are qualified by materiality, in all respects) on the Closing Date will not constitute the failure of a condition precedent to funding under the ABL Facility on the Closing Date (it being understood and agreed that the Specified Acquisition Agreement Representations are not made under the ABL Facility Documentation).

Affirmative Covenants:

Limited to the following (to be applicable to the Borrowers and their respective restricted subsidiaries and Holdings (but limited in the case of Holdings to maintenance of existence, maintenance of books and records, inspection rights, payment of taxes, compliance with laws and further assurances)); delivery of annual audited and quarterly unaudited consolidated financial statements (together with a compliance certificate) within 90 days after the end of any fiscal year (with respect to such annual financial statements), 60 days after the end of the first fiscal quarter for which financial statements are required to be delivered after the Closing Date and, thereafter, 45 days after the end of the first three fiscal quarters in any fiscal year (with respect to such unaudited financial statements) and, with such financial statements to be accompanied by management discussion and analysis, and with annual financial statements to be accompanied by an opinion of a nationally recognized independent accounting firm (which opinion shall not contain any scope qualification or any going concern qualification or explanatory paragraph (other than solely with respect to, or resulting solely from an upcoming maturity date or prospective non-compliance with any financial covenants)); delivery of an annual budget (with delivery time periods to be consistent with the delivery requirements for the audited financial statements); delivery of Borrowing Base Certificates and other information and reporting regarding the Borrowing Base (with delivery time period to be consistent with the delivery requirements for Borrowing Base Certificates set forth elsewhere herein); delivery of compliance certificates, notices of defaults and events of default, material litigation and other material events; delivery of other customary information; maintenance of books and records and inspection rights; payment of taxes; maintenance of insurance (including flood insurance on all mortgaged property constituting Collateral that is in a flood zone from providers, on terms and in amounts as required under applicable law or as otherwise required by the ABL Lenders); quarterly lender calls (which, for the avoidance of doubt, (i) may be a joint call among the ABL Lenders, the holders of the senior secured notes of WSI and its subsidiaries under each of those certain Indentures, dated as of November 29, 2017 and August 6, 2018, each among, *inter alios*, WSI and Deutsche Bank Trust Company Americas as trustee and collateral agent (the “*Existing WS Notes*”) and (ii) may be satisfied by quarterly investor calls for the Borrowers’ public parent); compliance with laws; ERISA and pension plan matters (including Canadian pension plans); maintenance of properties (subject to casualty, condemnation and normal wear and tear); compliance with OFAC, sanctions laws, Patriot Act, Canadian AML Legislation, FCPA, the Corruption of Foreign Public Officials Act (Canada) and other applicable anti-corruption, anti-money laundering and anti-bribery laws and regulations and other similar laws; transactions with affiliates; fiscal quarters and fiscal years; additional collateral and guarantors; use of proceeds; maintenance of existence and corporate franchises, rights and privileges; further assurances; ownership of WillScot Equipment II, LLC and other covenants relating to ownership of equipment subject to certificate of title laws; center of main interests, subject, where applicable, in the case of each of the foregoing covenants, to exceptions and qualifications to be provided in the ABL Facility Documentation, which shall be substantially consistent with the exceptions and qualifications provided in the ABL Facility Precedent Documentation, after giving effect to the ABL Facility Documentation Principles.

In addition, the ABL Administrative Agent may conduct one field examination and one equipment appraisal (each at the expense of the Borrowers) during any fiscal year; **provided** that at any time after the date on which Excess Availability has been less than the greater of (x) 15% of the Line Cap and (y) \$360.0 million for 30 consecutive calendar days, one additional field examination and one additional equipment appraisal may each be conducted (each at the expense of the Borrowers) during any fiscal year but only if more than 90 days have elapsed since the last field examination or equipment appraisal, as applicable. Notwithstanding the foregoing, (i) during the continuance of an event of default, the ABL Administrative Agent may, upon its request, conduct additional field examinations and equipment appraisals (each at the expense of the Borrowers) and (ii) in the event that machinery and equipment of the type described in **clause (d)** of the Borrowing Base definitions set forth above is included in the Borrowing Base, one additional appraisal of machinery and equipment may be conducted (at the expense of the Borrower) during any fiscal year.

Negative Covenants:

Limited to the following (to be applicable to the Borrowers and their respective restricted subsidiaries and, with respect to the passive holding company covenant only, Holdings) (which shall be subject to customary materiality qualifiers, exceptions and limitations to be mutually agreed upon and consistent with the ABL Facility Documentation Principles, and certain monetary baskets (including but not limited to those specifically set forth below and those baskets in, and no less favorable than, the Existing WS Credit Agreement and Existing Company Credit Agreement) will include basket builders based on a corresponding percentage to be mutually agreed of Consolidated EBITDA or consolidated total assets of the Borrowers and their restricted subsidiaries equivalent to no less than the initial monetary amount of such baskets):

- a) limitations on the incurrence of debt and the issuance of disqualified stock, which shall permit, among other things,
  - (i) the ABL Facility (including Incremental ABL Facilities, and any permitted refinancing thereof),
  - (ii) the Notes in an aggregate principal amount to be agreed (and any permitted refinancing thereof),
  - (iii) non-speculative hedging arrangements and cash management arrangements,
  - (iv) any indebtedness of the Borrowers incurred or issued prior to the Closing Date which remains outstanding and is permitted to remain outstanding under the Acquisition Agreement, which indebtedness in excess of an amount to be agreed shall be scheduled,
  - (v) purchase money indebtedness and capital leases up to an amount to be agreed without regard to any capital leases or purchase money indebtedness permitted under preceding **clause (iv)**,

- (vi) indebtedness arising from agreements providing for adjustments of purchase price or “earn outs” entered into in connection with acquisitions,
- (vii) a general debt basket up to an amount to be agreed which may be secured to the extent permitted by exceptions to the lien covenant,
- (viii) a non-guarantor debt basket in an amount to be agreed,
- (ix) unlimited indebtedness subject to either:

(A) pro forma compliance with a Total Net Leverage Ratio (to be defined but to not include a cap on cash netting) that is no greater than 6.00:1.00 (or, if such incurrence is in connection with an acquisition or similar investment, a pro forma Total Leverage Ratio that is no worse than the Total Leverage Ratio prior to such acquisition or similar investment) or

(B) an interest coverage ratio of 2.00:1.00 (or, if such incurrence is in connection with an acquisition or similar investment, a pro forma interest coverage ratio that is no worse than the interest coverage ratio prior to such acquisition or similar investment) as of the most recent date for which financial statements have been delivered or are required to be delivered;

***provided that***

- (1) the aggregate amount of indebtedness incurred under this **clause (ix)** by restricted subsidiaries that do not guarantee the ABL Facility shall not exceed the greater of \$400.0 million and 8.0% of consolidated total assets on a pro forma basis,
- (2) such indebtedness may be secured by Liens on the Collateral that rank junior to the Liens on the Collateral securing the ABL Facility, on a pro forma basis, subject to a Total Net Leverage Ratio of no greater than 6.00:1.00 (or, if such incurrence is in connection with an acquisition or similar investment, a pro forma Total Net Leverage Ratio that is no worse than the Total Net Leverage Ratio prior to such acquisition or similar investment),
- (3) such indebtedness, if secured, shall only be secured by assets constituting Collateral,

- (4) to the extent such indebtedness is in the aggregate in excess of \$200.0 million, it shall not mature or have scheduled amortization (other than customary nominal amortization payments) or mandatory commitment reductions prior to 91 days after the latest maturity of the ABL Facility, and
  - (5) such indebtedness, if guaranteed, shall only be guaranteed by persons that are ABL Guarantors, and
  - (x) other customary exceptions to be agreed;
- b) limitations on liens, which shall permit, among other things,
- (i) liens securing any ABL Incremental Facilities,
  - (ii) junior liens on the Collateral securing the Existing WS Notes and subject to the Intercreditor Agreement,
  - (iii) junior liens on the Collateral securing the Notes to the extent such Notes are secured and subject to the Intercreditor Agreement,
  - (iv) liens securing debt assumed in connection with a Permitted Acquisition in accordance with the ABL Facility Documentation Principles,
  - (v) certain liens securing permitted purchase money indebtedness or capital leases,
  - (vi) a general lien basket in the amount of the general debt basket, **provided** that any such liens on Collateral shall be junior to the liens securing the ABL Facility and subject to the Intercreditor Agreement or another intercreditor agreement reasonably satisfactory to the Administrative Borrower and the ABL Administrative Agent,
  - (vii) a non-guarantor lien basket equal to the size of the non-guarantor debt basket and limited to assets or property of such non-guarantor subsidiaries, and
  - (viii) an unlimited basket for liens on Collateral that are junior to the liens securing the ABL Facility (and subject to the Intercreditor Agreement) subject to the terms and conditions described in **clause (ix)** of the debt covenant above;
- c) limitations on fundamental changes (which shall permit unlimited Permitted Acquisitions consummated as mergers, amalgamations or consolidations when the Payment Conditions are satisfied);

- d) limitations on asset sales (including sales of subsidiaries) and sale and lease back transactions;
- e) limitations on investments and acquisitions, which shall permit, among other things,
  - (i) unlimited investments in the Borrowers and their restricted subsidiaries (with investments in restricted subsidiaries that are not or do not become ABL Guarantors subject to an amount to be agreed but not subject to any cap subject to pro forma compliance with the Payment Conditions),
  - (ii) a general investment basket in an amount to be agreed,
  - (iii) an unrestricted subsidiary investment basket in an amount to be agreed and
  - (iv) unlimited Permitted Acquisitions (as defined below) and other investments when the Payment Conditions are satisfied;
- f) limitations on dividends or distributions on, or redemptions of, the Borrowers' or their restricted subsidiaries' (or any of its direct or indirect parent company's) equity and payments under the transition services agreement to be entered into on the Closing Date, which shall permit, among other things,
  - (i) customary payments or distributions to pay the consolidated or similar type of income tax liabilities of any parent, to the extent such payments cover taxes that are attributable to the taxable income of the Borrowers or their restricted subsidiaries and are net of payments already made by the Borrowers or such restricted subsidiaries,
  - (ii) payment of legal, accounting and other ordinary course corporate overhead or other operational expenses of any such parent attributable to the ownership of the Borrowers and their subsidiaries and for the payment of franchise, excise or similar taxes, in each case, required to maintain its corporate or other legal existence,
  - (iii) a general basket to be agreed so long as no event of default shall have occurred and be continuing, and
  - (iv) additional dividends, distributions or redemptions, subject only to compliance with the Payment Conditions;

g) limitations on prepayments, purchases or redemptions of unsecured, junior lien indebtedness and indebtedness subordinated in right of payment to the ABL Loans (“Junior Debt”) or amendments of the documents governing such Junior Debt in a manner (when taken as a whole) materially adverse to the Lenders, which shall permit, among other things:

(i) refinancing or exchanges of Junior Debt for other Junior Debt maturing no earlier, and not having a shorter weighted average life, than the Junior Debt being so refinanced or exchanged (provided that (x) such refinancing or exchange indebtedness for subordinated indebtedness shall be subordinated indebtedness, (y) such refinancing or exchange indebtedness for unsecured indebtedness shall be unsecured indebtedness, and (z) such refinancing or exchange indebtedness for junior lien indebtedness shall be junior lien indebtedness with a lien priority no higher than the junior indebtedness being refinanced (in each case, unless such indebtedness with a different priority or rank is otherwise permitted to be incurred hereunder)),

(ii) conversion of Junior Debt to common or “qualified” preferred equity,

(iii) prepayments using the general restricted payments basket so long as no event of default shall have occurred and be continuing,

(iv) prepayments of unsecured indebtedness incurred pursuant to certain exceptions in the debt covenant, consistent with the ABL Facility Documentation Principles, and

(v) unlimited prepayments, purchases or redemptions of Junior Debt when the Payment Conditions are satisfied;

h) limitations on negative pledge clauses and restrictions on subsidiary distributions;

i) limitations on changes in conduct of business;

j) limitations on amendments of organizational documents;

k) limitations on changes to fiscal year;

l) limitations on unit subsidiaries and amendments to master lease agreements, in each case, consistent with the Documentation Principles; and

m) limitations on certain hedge agreements other than in the ordinary course of business and not for speculative purposes

In addition, Holdings will be subject to a customary covenant relating to its passive holding company status.

“**Payment Conditions**” shall mean, as of any date of determination:

- (i) no Specified Default exists or would arise after giving effect to the relevant transactions, and
- (ii) either:

- (a) on such date and each of the thirty consecutive days prior thereto, the Borrowers having Specified Excess Availability in excess of the greater of (1) 15% of the Line Cap and (2) \$360.0 million on a pro forma basis immediately after giving effect to the relevant transaction, or
- (b) (I) on such date and each of the thirty consecutive days prior thereto, the Borrowers having Specified Excess Availability in excess of the greater of (1) 10% of the Line Cap and (2) \$240.0 million on a pro forma basis immediately after giving effect to the relevant transaction and  
(II) the Borrowers being in pro forma compliance with the ABL Financial Covenant (as defined below) for the four fiscal quarters most recently preceding such transaction for which financial statements have been delivered.

“**Permitted Acquisition**” means any acquisition by any Borrower or any restricted subsidiary of persons that become restricted subsidiaries (but are not required to become ABL Guarantors) or of assets (including assets constituting a business unit, line of business or division) or capital stock subject to the following terms and conditions:

- (a) before and after giving effect thereto, no event of default has occurred and is continuing (or, in the case of a Limited Condition Transaction, at the Borrowers’ option, at the time of execution of a definitive acquisition agreement),
- (b) after giving effect thereto, the Borrowers are in compliance with the permitted lines of business covenant,
- (c) acquisitions of persons that become restricted subsidiaries and do not become Borrowers or ABL Guarantors shall be subject to a limitation in an amount to be agreed but subject to no cap subject to pro forma compliance with the Payment Conditions and

(d) solely to the extent required by, and subject to the limitations set forth in “Guarantees” and “Security” above, the acquired company and its subsidiaries (other than any subsidiaries of the acquired company designated as an unrestricted subsidiary as provided in “Unrestricted Subsidiaries” below) will become ABL Guarantors and pledge their Collateral to the ABL Administrative Agent.

ABL Financial Covenant:

If Specified Excess Availability shall be less than the greater of (x) 10% of the Line Cap and (y) \$240.0 million (such amount, the “**ABL Covenant Trigger**”) and until Specified Excess Availability is greater than or equal to the ABL Covenant Trigger for twenty consecutive calendar days (such period, a “**Compliance Period**”), the Borrowers shall comply on a quarterly basis with a minimum ratio (the “**Fixed Charge Coverage Ratio**”) of

(x) Consolidated EBITDA minus cash taxes actually paid in such period minus cash capital expenditures (other than to the extent financed with (i) indebtedness (other than the ABL Facility), (ii) proceeds from non-ordinary course asset sales, (iii) proceeds from equity issuances or (iv) other proceeds that would not be included in Consolidated EBITDA) actually made or incurred in such period to

(y) consolidated interest expense plus scheduled principal amortization of indebtedness for borrowed money (excluding intercompany debt) plus cash dividends (other than those paid to a Loan Party) of at least 1.00:1.00.

The financial test described in the foregoing sentence is referred to herein as the “**ABL Financial Covenant**”.

For purposes of determining compliance with the ABL Financial Covenant, any cash equity contribution (which shall be common equity or otherwise in a form reasonably acceptable to the ABL Administrative Agent) made to Holdings (which amount shall be contributed in cash as common equity to the Administrative Borrower) within 15 business days following the ABL Covenant Trigger will, at the request of the Administrative Borrower, be included in the calculation of Consolidated EBITDA solely for the purposes of determining compliance with such ABL Financial Covenant at the end of such fiscal quarter and applicable subsequent periods which include such fiscal quarter (any such equity contribution so included in the calculation of Consolidated EBITDA, a “**Specified Equity Contribution**”); subject solely to the following conditions:

- (a) there shall be no more than two quarters in each four consecutive fiscal quarter period in respect of which a Specified Equity Contribution is made,
- (b) the amount of any Specified Equity Contribution shall be no more than the amount expected to be required to cause the Borrowers to be in pro forma compliance with the ABL Financial Covenant specified above,
- (c) no more than five Specified Equity Contributions shall be made during the term of the ABL Facility,
- (d) all Specified Equity Contributions shall be disregarded for all purposes under the ABL Facility Documentation other than for purposes of determining compliance with the ABL Financial Covenant, and
- (e) there shall be no pro forma or other reduction in indebtedness with the proceeds of any Specified Equity Contribution solely for determining compliance with the ABL Financial Covenant; provided that such Specified Equity Contribution shall reduce debt in future periods (but not the fiscal quarter in respect of which it is made) to the extent used to prepay indebtedness.

The ABL Facility Documentation will contain a customary standstill provision with respect to the declaration of an event of default and/or exercise of remedies during the period in which a Specified Equity Contribution could be made but the Borrowers shall not be permitted to borrow or amend or request the issuance of Letters of Credit during such period until a Specified Equity Contribution is made.

“**Consolidated EBITDA**” shall be defined as is consistent with the ABL Facility Documentation Principles, provided that the add-back for pro forma cost savings, operating expense reductions and charges and other synergies shall be applicable to those actions that are taken or reasonably expected to be taken within 24 months and shall be subject to a 20% cap (such cap to be calculated before giving effect to such add-back).

Unrestricted Subsidiaries:

The ABL Facility Documentation will contain provisions pursuant to which, subject to limitations on loans, advances, guarantees of obligations of and other investments in unrestricted subsidiaries, the Borrowers will be permitted to designate any existing or subsequently acquired or organized subsidiary (other than a Borrower) as an “unrestricted subsidiary” and subsequently re-designate any such unrestricted subsidiary as a restricted subsidiary subject solely to the following terms and conditions:

- (a) the fair market value of such subsidiary at the time it is designated as an “unrestricted subsidiary” (plus the aggregate outstanding principal amount of any debt owed by such subsidiary to any Loan Party or other restricted subsidiary) shall be treated as an investment by the Borrowers at such time,

- (b) pro forma compliance with the Payment Conditions,
- (c) indebtedness of such subsidiary or liens on the assets of such subsidiary, in each case, outstanding at the time it is designated as a “restricted subsidiary” shall be deemed to be an incurrence at the time of such designation of indebtedness or liens, and
- (d) subject to the Limited Condition Provision, no Specified Event of Default has occurred and is continuing or would exist after giving effect thereto;

**provided** that such subsidiary is also designated as an unrestricted subsidiary under the Notes and any other indebtedness in excess of a threshold amount to be agreed that has an “unrestricted subsidiary” construct. Unrestricted subsidiaries will not be subject to the representation and warranties, affirmative or negative covenant or event of default provisions of the ABL Facility Documentation and the results of operations and indebtedness of unrestricted subsidiaries will not be taken into account for purposes of determining Consolidated Net Income, Consolidated EBITDA or compliance with the covenants contained in the ABL Facility Documentation.

Events of Default:

Limited to the following (to be applicable to the Borrowers, the ABL Guarantors and their respective restricted subsidiaries only): nonpayment of principal when due; nonpayment of interest or other amounts after a five business day grace period; violation of covenants (subject, in the case of affirmative covenants to a thirty day grace period (other than (a) failure to deliver notices of default, (b) failure to deliver Borrowing Base certificates which shall be subject to a five business day grace period (except during weekly reporting periods), (c) failure to maintain Holdings’ or the Borrowers’ existence), (d) cash management covenant and (e) failure to deliver other information and provide notices consistent with the ABL Facility Documentation Principles, which, in the case of **clause (e)**, shall be subject to a fifteen day grace period); incorrectness of representations and warranties in any material respect (unless qualified by materiality, in which case in any respect); cross default and cross acceleration to indebtedness in excess of an amount to be agreed; bankruptcy or other similar insolvency events of Holdings, any Borrower or any material restricted subsidiary (with a sixty day grace period for involuntary events (or with respect to any UK Borrower or material restricted subsidiary, the grace periods provided in the Existing Company Credit Agreement)); monetary judgments in excess of an amount to be agreed; ERISA or similar events (including with respect to Canadian pensions); actual or asserted invalidity of the Intercreditor Agreement or any subordination agreement, guarantees or security agreements in respect of the Collateral or other ABL Facility Documentation; and change of control.

Voting:

Amendments and waivers of the ABL Facility Documentation will require the approval of Lenders holding more than 50% of the aggregate amount of the ABL Loans, participations in Letters of Credit and Swingline Loans and unfunded ABL Commitments (the "**Required ABL Lenders**"), and, in addition,

- (i) the consent of each Lender directly and adversely affected thereby shall be required with respect to:
  - (A) increases in the commitment of (other than with respect to any Incremental ABL Facility to which such Lender has agreed) such Lender (it being understood that the waiver of any default, event of default or mandatory prepayment shall not constitute an extension or increase of any commitment),
  - (B) reductions or forgiveness of principal (it being understood that the waiver of any default, event of default or mandatory prepayment shall not constitute a reduction or forgiveness in principal), interest (other than the waiver of default interest) or fees and
  - (C) extensions of scheduled amortization payments or final maturity (it being understood that the waiver of any default, event of default or mandatory prepayment shall not constitute an extension of any maturity date) or the date for the payment of interest or fees,
- (ii) the consent of 100% of the applicable Lenders will be required with respect to
  - (A) modifications to any of the voting percentages and
  - (B) releases of all or substantially all of the value of the ABL Guarantors or releases of all or substantially all of the Collateral,
- (iii) customary protections for the ABL Administrative Agent, the Swingline Lender and the Issuing Lenders will be provided,
- (iv) the consent of 100% of the ABL Lenders shall be required for changes to the sharing provisions and payment waterfall provisions related to the ABL Facility, to subordinate the ABL Administrative Agent's lien on any Collateral (other than as otherwise permitted) and
- (v) the consent of a supermajority (66.7%) of the ABL Commitments (or, if the ABL Commitments have been terminated, outstanding ABL Loans and participations in Letters of Credit and Swingline Loans) shall be required for any changes to the Borrowing Base definitions or the component definitions thereof which result in increased borrowing availability or which increase advance rates (provided that the foregoing shall not impair the ability of the ABL Administrative Agent to add, remove, reduce or increase reserves against the Borrowing Base assets in its Reasonable Credit Judgment).

The ABL Facility Documentation shall contain customary provisions for replacing the commitments of Defaulting ABL Lenders, non-extending ABL Lenders, ABL Lenders claiming increased costs, tax gross ups and similar required indemnity payments and replacing non-consenting ABL Lenders in connection with amendments and waivers requiring the consent of all ABL Lenders or of all ABL Lenders directly affected thereby so long as ABL Lenders holding more than 50% of the aggregate amount of the loans, participations in Letters of Credit and Swingline Loans and commitments under the ABL Facility shall have consented thereto. Any commitment increase, maturity extension or renewal of the ABL Facility shall be, to the extent any U.S. real property constitutes Collateral, subject to flood insurance due diligence and flood insurance compliance reasonably satisfactory to all ABL Lenders.

Cost and Yield Protection:

The ABL Facility Documentation will include customary cost and yield protection provisions consistent with the ABL Facility Documentation Principles.

Defaulting Lenders:

The defaulting lender provisions to be set forth in the ABL Facility Documentation will be consistent with the ABL Facility Documentation Principles.

Assignments and Participations:

The Lenders will be permitted to assign (other than to natural persons or to any ABL Disqualified Lender (with the list of ABL Disqualified Lenders being made available to all Lenders and each assignee being required to represent that it is not an ABL Disqualified Lender or an affiliate of an ABL Disqualified Lender)) loans and/or commitments under the ABL Facility with the consent of the Administrative Borrower, the ABL Administrative Agent, the Swingline Lender and each Issuing Lender (in each case not to be unreasonably conditioned, withheld or delayed); **provided** that no consent of the Administrative Borrower shall be required after the occurrence and during the continuance of a payment or bankruptcy event of default with respect to a Borrower or a material restricted subsidiary, or, in any event, for assignments to ABL Lenders, affiliates thereof or approved funds, it being understood and agreed that the consent of the Administrative Borrower shall be deemed to have been given if no objection is made within ten business days after its receipt of written notice of the proposed assignment. Each assignment (other than to another Lender, an affiliate of a Lender or an approved fund) will be in an amount of \$5.0 million (or an integral multiple of \$1.0 million in excess thereof) (or lesser amounts, if agreed between the Borrowers and the ABL Administrative Agent) or, if less, all of such Lender's remaining loans or commitments of the applicable class.

The ABL Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Disqualified Lenders. Without limiting the generality of the foregoing, the ABL Administrative Agent shall not (x) be obligated to ascertain, monitor or inquire as to whether any Lender or participant or prospective Lender or participant is a Disqualified Lender or (y) have any liability with respect to or arising out of any assignment or participation of ABL Loans, or disclosure of confidential information, to any Disqualified Lender.

The Lenders will be permitted to sell participations in loans without restriction in accordance with applicable law.

Voting rights of participants shall be limited to matters set forth under “Voting” above with respect to which the unanimous vote of all Lenders (or all directly and adversely affected Lenders, if the participant is directly and adversely affected) would be required.

The ABL Facility Documentation will include customary EU Bail-In Provisions.

The ABL Facility Documentation will include customary expense reimbursement and indemnification provisions consistent with the ABL Facility Documentation Principles.

New York (other than collateral documents governed by applicable local law).

Latham & Watkins LLP and Norton Rose Fulbright Canada LLP

EU Bail-In Provisions:

Expenses and Indemnification:

Governing Law and Forum:

Counsel to the ABL Administrative Agent:

Project CrossFit  
Summary of Conditions<sup>2</sup>

The initial borrowings under the ABL Facility shall, subject in all respects to the Certain Funds Provisions, be subject to the following conditions:

1. (a) the Acquisition has been consummated or will be consummated substantially concurrently with the initial borrowings under the ABL Facility in accordance in all material respects with the terms of the Acquisition Agreement and  
  
(b) since the date of the Original Commitment Letter, the Acquisition Agreement has not been amended, waived or modified (whether pursuant to your consent or otherwise) in any respect by you in a manner that is materially adverse to the Commitment Parties, in their respective capacity as such, without the consent of the ABL Lead Arrangers (such consent not to be unreasonably conditioned, withheld, or delayed); **provided** that in each case the ABL Lead Arrangers shall be deemed to have consented to such amendment, waiver or modification unless they shall object in writing thereto within three business days of receipt of written notice of such amendment, waiver or modification (or such later time as the Administrative Borrower may agree in its sole discretion); *provided, further*, that (i) a reduction in the purchase price under the Acquisition Agreement will be deemed not to be materially adverse to the Commitment Parties and (ii) any change to the definition of “Company Material Adverse Effect” or the “Xerox” provisions contained in the Acquisition Agreement as in effect on the Original Execution Date will be deemed to be materially adverse to the Commitment Parties.
2. The Debt Repayment has been or will be consummated substantially concurrently with the initial borrowing under the ABL Facility on the Closing Date.
3. Since the date of the Acquisition Agreement, there shall not have occurred any event, change, effect, development or occurrence that has had or would reasonably be expected to have individually or in the aggregate, a Company Material Adverse Effect (as defined in the Acquisition Agreement as in effect on the Original Execution Date).
4. Subject in all respects to the Certain Funds Provisions, all documents and instruments required to create and perfect the ABL Administrative Agent’s security interests in the Collateral shall have been executed and delivered and, if applicable, be in proper form for filing (or arrangements reasonably satisfactory to the ABL Administrative Agent shall have been made for the execution, delivery and filing of such documents and instruments substantially concurrently with the consummation of the Acquisition).
5. The ABL Administrative Agent and the ABL Lead Arrangers shall have received at least three business days before the Closing Date all documentation and other information about the Borrowers and the Guarantors that shall have been reasonably requested by the ABL Administrative Agent or the ABL Lead Arrangers in writing at least ten business days prior to the Closing Date and that the ABL Administrative Agent and the ABL Lead Arrangers reasonably determine is required by applicable regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including without limitation the PATRIOT Act and the Beneficial Ownership Regulation and the Canadian AML Legislation.

<sup>2</sup> Capitalized terms used in this Exhibit C shall have the meanings set forth in the other Exhibits attached to the Second Amended and Restated Commitment Letter to which this Exhibit C is attached (the “**Second Amended and Restated Commitment Letter**”). In the case of any such capitalized term that is subject to multiple and differing definitions, the appropriate meaning thereof in this Exhibit C shall be determined by reference to the context in which it is used.

6. The execution and delivery by the Borrowers and the other Guarantors of the ABL Facility Documentation (including guarantees by the applicable guarantors) which shall, in each case, be in accordance with the terms of the Second Amended and Restated Commitment Letter (including all Exhibits thereto, and as modified to reflect any exercise of the “Market Flex” under the Second Amended and Restated Fee Letter) and subject in all respects to the Certain Funds Provisions and ABL Facility Documentation Principles set forth in the Second Amended and Restated Commitment Letter.
7. The execution and delivery of customary legal opinions, customary evidence of authorization with respect to each Borrower and each Guarantor, customary officer’s certificates (including relevant attachments) with respect to each Borrower and each Guarantor (provided that such certificates shall not include any representation or statement as to the absence (or existence) of any default or event of default or the accuracy of representations and warranties) (other than the Specified Representations), good standing certificates (to the extent applicable) in the jurisdiction of organization of the Borrowers and each Guarantor and a solvency certificate of the Administrative Borrower’s chief financial officer, or other officer of equivalent duties and responsibilities, (certifying that, after giving effect to the Transactions, the Borrowers and their subsidiaries on a consolidated basis are solvent) in substantially the form of Annex I to this Exhibit C. The ABL Lead Arrangers shall have received a Borrowing Base Certificate based either on the Existing Appraisals and Field Exams or, if delivered to the ABL Administrative Agent prior to the Closing Date, the New Appraisals and Field Exams (and which may, notwithstanding the foregoing, at the option of the Administrative Borrower, give effect to the Closing Borrowing Base and/or the Minimum Borrowing Base Amount).
8. The ABL Lead Arrangers shall have received a pro forma consolidated balance sheet and related pro forma consolidated statement of operations of WS as of, and for the twelve month period ending on, the last day of the most recently completed four fiscal quarter period ended at least 45 days prior to the Closing Date (or 90 days prior to the Closing Date in case such four fiscal quarter period is the end of WS’s fiscal year), prepared after giving effect to the Transactions as if the Transactions had occurred as of such date (in the case of such balance sheet) or at the beginning of such period (in the case of such statement of income).
9. The ABL Lead Arrangers shall have received:
  - (a) audited consolidated balance sheets of WS and its consolidated subsidiaries as at the end of, and related statements of income and cash flows for, the three prior fiscal years ended at least 90 days before the Closing Date;
  - (b) the audited consolidated balance sheets of the Company and its consolidated subsidiaries as at the end of, and related statements of operations and cash flows for, the three prior fiscal years ended at least 90 days before the Closing Date;
  - (c) the unaudited condensed consolidated balance sheets of WS and its consolidated subsidiaries as at the end of, and the related condensed consolidated statements of operations and cash flows for each subsequent fiscal quarter (other than the fourth fiscal quarter of any fiscal year) of WS and its consolidated subsidiaries ended after the most recent fiscal period for which audited financial statements have been provided pursuant to clause (a) hereof and at least 45 days before the Closing Date;

- (d) the unaudited condensed consolidated balance sheets of the Company and its consolidated subsidiaries as at the end of, and the related condensed consolidated statements of operations and cash flows for each subsequent fiscal quarter (other than the fourth fiscal quarter of any fiscal year) of the Company and its consolidated subsidiaries ended after the most recent fiscal period for which audited financial statements have been provided pursuant to **clause (b)** hereof and at least 45 days before the Closing Date.

The ABL Lead Arrangers acknowledge and agree that they have already received the financial statements described in **clause (a)** with respect to the fiscal years ended on December 31, 2017 and December 31, 2018 and in **clause (b)** with respect to the fiscal years ended on December 31, 2017, December 31, 2018 and December 31, 2019.

10. All fees required to be paid on the Closing Date pursuant to the Second Amended and Restated Fee Letter in connection with the ABL Facility and reasonable out-of-pocket expenses required to be paid on the Closing Date pursuant to the Second Amended and Restated Commitment Letter, to the extent invoiced at least three business days prior to the Closing Date (except as otherwise agreed to by the Borrowers), shall, substantially concurrently with the initial borrowing under the ABL Facility, have been paid (which amounts may, at your option, be offset against the proceeds of the ABL Facility).
11. Solely to the extent required by the Certain Funds Provision, the accuracy of the Specified Acquisition Agreement Representations in all material respects (or if qualified by materiality, in all respects) and the Specified Representations in all material respects (or if qualified by materiality, in all respects).
12. The Closing Date shall not occur prior to the 45th day after the Original Execution Date.

Form of Solvency Certificate

Date: \_\_\_\_\_

Reference is made to Credit Agreement, dated as of [●] (the “**Credit Agreement**”), among [●] (the “**Borrowers**”), the lending institutions from time to time parties thereto (the “**Lenders**”), and [●], as Administrative Agent and Collateral Agent.

Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement. This certificate is furnished pursuant to Section [●] of the Credit Agreement.

Solely in my capacity as a financial executive officer of the Administrative Borrower and not individually (and without personal liability), I hereby certify, that as of the date hereof, after giving effect to the consummation of the Transactions:

1. The sum of the liabilities (including contingent liabilities) of the Borrowers and their subsidiaries, on a consolidated basis, does not exceed the present fair saleable value of the present assets of the Borrowers and their subsidiaries, on a consolidated basis.
2. The fair value of the property of the Borrowers and their subsidiaries, on a consolidated basis, is greater than the total amount of liabilities (including contingent liabilities) of the Borrowers and their subsidiaries, on a consolidated basis.
3. The capital of the Borrowers and their subsidiaries, on a consolidated basis, is not unreasonably small in relation to their business as contemplated on the date hereof.
4. The Borrowers and their subsidiaries, on a consolidated basis, have not incurred and do not intend to incur, or believe that they will incur, debts including current obligations beyond their ability to pay such debts as they become due (whether at maturity or otherwise).

For purposes of this Certificate, the amount of any contingent liability has been computed as the amount that, in light of all of the facts and circumstances existing as of the date hereof, represents the amount that would reasonably be expected to become an actual or matured liability.

IN WITNESS WHEREOF, I have executed this Certificate this as of the date first written above.

[ADMINISTRATIVE BORROWER]

By:

---

Name:

Title:

C-I-2

**Certification of Chief Executive Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Bradley L. Soultz, certify that:

1. I have reviewed this annual report on Form 10-K of WillScot Corporation;
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: May 6, 2020

/s/ BRADLEY L. SOULTZ

Bradley L. Soultz

*President and Chief Executive Officer and Director (Principal Executive Officer)*

**Certification of Chief Financial Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Timothy D. Boswell, certify that:

1. I have reviewed this annual report on Form 10-K of WillScot Corporation;
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: May 6, 2020

/s/ TIMOTHY D. BOSWELL

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Timothy D. Boswell

Chief Financial Officer (Principal Financial Officer)

**Certification of Chief Executive Officer**

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of WillScot Corporation (the "Company") hereby certifies, to such officer's knowledge, that:

- (i) the annual report on Form 10-K of the Company for the period ended March 31, 2020 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 2020

/s/ BRADLEY L. SOULTZ

Bradley L. Soutz

*President and Chief Executive Officer and Director  
(Principal Executive Officer)*

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to WillScot Corporation and will be retained by WillScot Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification of Chief Financial Officer**

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of WillScot Corporation (the "Company") hereby certifies, to such officer's knowledge, that:

- (i) the annual report on Form 10-K of the Company for the period ended March 31, 2020 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 2020

/s/ TIMOTHY D. BOSWELL

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Timothy D. Boswell

*Chief Financial Officer (Principal Financial Officer)*

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to WillScot Corporation and will be retained by WillScot Corporation and furnished to the Securities and Exchange Commission or its staff upon request.