

ANIXTER TAX STRATEGY

Anixter is a leading distributor of enterprise cabling and security solutions, electrical and electronic wire and cable products and utility power solutions.

In our view, being compliant from a tax reporting perspective means paying the correct amount of taxes in the proper jurisdictions at the required time, and involves disclosing all relevant facts and circumstances to the tax authorities and claiming reliefs and incentives where available.

We are also guided by Anixter's Blue Book. Originally written by the company founders, the Blue Book presents our company beliefs, defines our business style and guides our culture. The Blue Book has remained a constant in our commitment to company values. The Integrity section of the Blue Book states "Integrity is doing the RIGHT thing, even if nobody is watching. We would rather lose money, a customer, a supplier, or an order than violate our ethics policy, our integrity, or the law." The concepts underlying this statement of integrity guide our tax strategy as well.

a) Anixter's approach to risk management and governance arrangements in relation to UK taxation

Our tax strategy in the UK (as well as globally) is to ensure that we comply with all local tax laws and regulations and report and pay all applicable UK taxes. We have implemented policies, procedures and controls to ensure that we comply with local tax laws and regulations and report and remit relevant taxes on a timely basis. The primary taxes that Anixter manages within the UK include VAT, income, payroll, customs, and property taxes. This strategy is aligned with our code of conduct and ethics policy.

b) Anixter's attitude toward tax planning in relation to UK taxation

Tax planning is performed in conjunction with the global tax function of Anixter International Inc. and subsidiaries as defined for SEC financial reporting purposes (hereafter referred to as the Group) in the U.S. as well as outside tax and legal advisors and considers the impact of tax laws and regulations of all relevant countries involved in a transaction or business change proposal to ensure full compliance in all relevant jurisdictions including the UK. We strive to ensure that our tax planning is grounded in commercial reality. All transactions are therefore required to have a commercial rationale or business purpose. Anixter adheres to the OECD arm's length principle in transfer pricing matters.

c) Anixter's risk appetite in relation to UK taxation

Given the scale of our business and volume of tax obligations, risks will inevitably arise from time to time in relation to the interpretation of tax law and nature of our compliance arrangements. We proactively seek to identify, evaluate, manage and monitor these risks to ensure they remain in line with the Group's tax risk appetite.

We seek to reduce tax risk arising from its operations by implementing various internal tools for the various business units to follow.

Anixter utilizes tax reliefs and allowances legally available in the manner in which intended by HM Revenue & Customs (hereafter HMRC) and statute. There will, however, be circumstances where this

amount may not be clearly defined, or where alternative approaches may result in differing tax outcomes. We strive to use our best judgment to determine the appropriate course of action, using available reliefs and incentives where possible and liaising with HMRC where appropriate. The appetite for tax risk is aligned with the risk appetite across the business and we structure our affairs based on sound commercial principles and in accordance with the Group's policy and relevant tax legislation. Where there is significant uncertainty or complexity in relation to a risk, external advice may be sought.

d) Approach in dealings with HM Revenue & Customs (HMRC)

- We commit to adopt an open, transparent and collaborative professional relationship at all times with HMRC;
- We engage in full, open and early dialogue with HMRC regarding tax planning, strategy, risks and significant transactions;
- We strive to make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely and complete fashion;
- We strive to resolve issues with HMRC in real time before returns are filed, and where disagreements arise, work with HMRC to resolve issues and concerns amicably by agreement;
- We strive to be open and transparent with HMRC about our decision-making, governance and tax planning.

We consider the above statement complies with the duty under the Finance Act 2016, part 2 of schedule 19, paragraph 16 (2) and applies to all UK entities of the Group subject to the provision of the legislation, in relation to the financial year ending 31 January 2020. It has been approved by the board of the UK entities of the Group on 27 December 2019.