

1. Purpose

a. The purpose of this document is to describe the preparation work undertaken by Ingram Micro UK & Ireland

2. Scope

a. This document applies to all Ingram Micro UK & Ireland business units supported by Ingram Micro Pan Europe and Ingram Micro global

3. Status

a. This is not the first revision of the document and will likely not be the last, the company reserves the right to alter this document at any time as required by business requirements or legislation

4. Preparing & Planning

a. Ingram Micro has for many months had a Brexit steering group consisting of senior and board level members covering aspects such as financial, logistics, customs, tax, legal, people and data. Brexit planning is reviewed at each board meeting

5. Supply partners from outside the UK

- a. We have had 2 false starts with regards to Brexit with well-versed plans and actions to offset any risk to our Customer base
- b. Cubic restructuring of Ingram Micro world class 266,000 square feet Warehouse facility based in Crick will allow and has allowed a sustainable uplift in stock to ensure maximum availability of stock through potentially unknown supply chain conditions also to support to the highest-level Ingram Micro partner requirements both vendor and customer
- c. Confirmation with each Vendor Partner of customs responsibilities within the Incoterm agreements and contracts

6. Movement of Goods & Potential Border delay

- a. We have a long-standing partnership with a global leader in transportation and customs brokerage in DHL who have been embedded into the Ingram Micro project plan process and internal systems
- b. We have a long-standing partnership with a global leader in Accounting & VAT practices Deloitte who have been embedded into the Ingram Micro project plan process and internal systems
- c. We have a world class European Customs team working out of Germany supported by a recently appointed UK Customs Manager and Customs Clerk team based at Crick
- d. Ingram Micro are also working with vendors to arrange direct delivery into the UK from the Far East avoiding the EU altogether.
- e. Ingram Micro can act as a master distributor, importer or merely a 3PL provider to a wide range of suppliers and/or customers.

7. Data protection

a. We are monitoring the advice given by the Information Commissioners Office in the UK. There is no indication currently that there will be a need to update contractual clauses in relation to GDPR. Should this change guidance will be provided

8. VAT, Duties and Tariffs

- a. If the UK government would adopt WTO rules or otherwise impose tariffs on imports into the UK, this may result in price increases to certain orders and products. For orders placed by customers for delivery and invoicing after 31 December 2020, we reserve the right to adjust the sales prices to reflect any new levies, duties and other charges, whether these are imposed on us by our suppliers or by the government, and we will only provide estimated delivery times for products that were not in stock on 31 December 2020
- b. Based on the current situation we are not in a position to provide any further information other than referring to available government guidance.
- c. All shipments to Republic Ireland from January 1st 2021 will attract the local VAT rate, currently 21%, moving upwards in March to 23%. This impacts Mainland UK customers shipping to Republic of Ireland and partners based in the Republic of Ireland shipping within country.

All partners shipping in to the Republic of Ireland will have to set up a new account with Ingram Micro which will attract local

VAT and we recommend that each partner sets up their own Republic of Ireland VAT registration to enable claiming back the VAT fees.

9. Exports

- a. Ingram Micro UK are investigating the possibility of having a bonded capability in the UK for Irish goods and those for re-export to Europe.
- b. All vendor contracts are being amended to allow for such transactions in the case of non-bonded goods we can of course either use our world class European logistics footprint or export through our local customs team

10. Ireland

- a. The new Brexit arrangements for Ireland and Northern Ireland are well understood and we are working with our logistics provider/freight forwarder to ensure we minimise delays when delivering across the Irish Sea targeting business as usual
- b. Invoices to our Customers will attract Irish VAT from January 1st 2021
- c. At this stage we do not envisage passing on any perceived administration cost to our customers to ship into Ireland

11. Workforce Impact & Service Provision

- a. We are currently reviewing the workforce within the UK & Ireland Zone and planning for all eventualities. This is to ensure that no disruption occurs in the service we provide and to ensure we support our employees where required. The percentage of EU Nationals is currently standing at approximately 10% within the UK & Ireland Zone.
- b. The government has made commitments to cover EU citizens currently in the UK post-Brexit, known as "settled status". This will require individuals to prove their identity (via an EU passport for example), they will also need to have lived in the UK for 5 years before applying and they cannot have a criminal record

12. Future Trading Relationship between the UK & The EU

- a. Ingram Micro (UK) Ltd is distributing products and services that are either placed on the UK market by its vendors or by Ingram Micro itself. None of our suppliers has communicated or addressed to us any reservations or restraints as a result of Brexit, and we do not expect that our supply chain will be subject to any change to product deliveries as a result of the UK exiting the European Union on 31 December 2020 or during the year 2020 while the UK is negotiating a free trade agreement with the EU.
- b. Should the UK and the EU fail to reach a free trade agreement by the deadline set by the UK government (31 December 2020) and the UK adopting WTO rules for imports into the UK, this may be resulting in delays with respect to imports and customs handling.

13. References & Sources

- a. The information and sources for this document have been obtained primarily from the guidance issued by the UK Government, this is available at the following...

<https://www.gov.uk/transition>

<https://www.gov.uk/prepare-to-import-to-great-britain-from-january-2021>

<https://www.gov.uk/settled-status-eu-citizens-families>

- b. Further information is available from the European Commission also...

https://ec.europa.eu/commission/brexit-negotiations_en

- c. https://ec.europa.eu/unitedkingdom/services/your-rights/Brexit_en