

## **ARRIS – UK Tax Strategy**

ARRIS is a world leader in entertainment and communications technology. Our innovations combine hardware, software and services across the cloud, network and home to power TV and internet for millions of people around the world. The people of ARRIS collaborate with the world's top service providers, content providers and retailers to advance the state of our industry and pioneer tomorrow's connected world.

Based on an understanding of the needs of our stakeholders and in line with our Guiding Values and Policy on Business Ethics and Code of Conduct, the Board of Directors has established the following fundamental principles for the management of U.K. taxes within the ARRIS Group.

### **1. U.K. Compliance**

We are committed to compliance with all applicable tax laws, regulations and reporting requirements.

As a result of our commercial activities in the U.K., ARRIS generates and incurs a range of U.K. taxes in respect of its people, profits, revenues and transactions. We also have a range of complex tax compliance obligations, including but not limited to: filing tax returns, paying liabilities and making claims and elections.

The Company and its Personnel will transact business in full compliance with the law of England and Wales and in accordance with the ARRIS Policy on Business Ethics and Code of Conduct. Matters of judgement are and will be taken based upon an understanding of laws and regulations, and of ethical standards, to best safeguard against improper conduct.

### **2. Attitudes towards U.K. Tax Planning and Level of Risk in Relation to U.K. Taxation**

The execution of our commercial strategy, the evolving regulatory environment (inclusive of changes in tax laws) in which we operate and the level of M&A activity we undertake regularly give rise to choices as to how we structure our commercial arrangements. In making these choices we consider tax in addition to the many commercial factors. However, our tax planning occurs as a result of our commercial transactions, not independent of our commercial transactions. Our goal is to limit tax risks and inefficiencies arising from our commercial strategies and to maximise shareholder value on a sustainable basis.

Rapidly changing tax laws do require the Company to interpret and react to those changes often prior to full guidance being released and do create uncertainty related to tax risk. We regularly meet with our outside tax advisors to discuss and understand the impact the tax law changes have on our ongoing business. Additionally, acquisitions are a regular part of our commercial strategy and integrating those acquired businesses require us to analyse and evaluate the inherited risk profile of the acquired business. Any tax planning associated with such material commercial transactions (including acquisitions) are and will be considered by the Board, normally via the Audit Committee, as part of the overall transaction assessment and will be aligned to our risk appetite.

Intercompany transactions are undertaken on arm's length terms and OECD compliant transfer pricing methods are consistently selected and applied. Appropriate documentation is prepared and retained to support the transactions and their pricing.

### **3. Approach to U.K. Tax Governance and Risk Management**

U.K. tax activity is directed by an approved U.K. Tax Policy which is embedded in the business through detailed tax process and control documentation plus a program of supporting assurance activity.

As part of this, we deal proactively with internal audit for the improvement of our controls and procedures. The Global CFO has been identified as the Senior Accounting Officer ('SAO') of the U.K. entities under sch.

46 FA 2009. This role imposes a responsibility for establishing appropriate tax compliance arrangements and is delivered with the coordinated support of finance, tax and assurance teams.

Tax risk is managed in line with the broader organisational approach to the management of risk in respect of risk identification, risk management, assurance activity and reporting mechanisms.

The Audit Committee of the Board is appraised of tax matters on a regular basis and according to need or request during the year.

#### **4. Approach to Dealings with HMRC**

We seek to collaborate and maintain a positive relationship with HMRC. As such, we regularly engage with HMRC with honesty, integrity, respect and fairness and in a spirit of co-operative compliance in a rapidly changing and complex tax environment. We are prepared to litigate where we disagree with a ruling or decision but will first seek to resolve any disputed matters through pro-active and transparent discussion and negotiation.

#### **5. Scope and Approvals**

The U.K. Tax Strategy is applicable to ARRIS International plc and its U.K. subsidiaries and was approved by the Audit Committee of the Board on December 4, 2017

The publication of this U.K. Tax Strategy is regarded as complying with the duty under Part 2, Sch. 19 FA 2016.