

ANIXTER INTERNATIONAL INC
Form DEF 14A
April 20, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a -12

ANIXTER INTERNATIONAL INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

Edgar Filing: ANIXTER INTERNATIONAL INC - Form DEF 14A

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

SEC 1913 (11-01)

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 24, 2018

To the Stockholders of Anixter International Inc.:

The Annual Meeting of Stockholders of Anixter International Inc. will be held at Two North Riverside Plaza, 7th Floor, Chicago, Illinois on Thursday, May 24, 2018, at 8:30 a.m., for the following purposes:

- (1) to elect 12 directors nominated by the Board of Directors;
- (2) to hold an advisory vote to approve executive compensation;
- (3) to ratify the appointment of Ernst & Young LLP as the company's independent registered public accounting firm for the fiscal year 2018; and
- (4) to transact such other business as may properly be brought before the meeting or any adjournment or postponement thereof.

The Board of Directors has fixed the close of business on March 26, 2018 as the record date for the determination of stockholders entitled to notice of, and to vote at, the meeting or any adjournment(s) or postponements thereof. A complete list of the stockholders entitled to vote at the meeting will be open for examination by any stockholder for any purpose germane to the meeting during ordinary business hours for ten days prior to the meeting at the offices of Anixter International Inc., 2301 Patriot Boulevard, Glenview, Illinois 60026, and will also be available at the meeting.

A copy of Anixter International Inc.'s Annual Report to Stockholders for the fiscal year ended December 29, 2017 is being mailed to all registered holders. Additional copies of the Annual Report and Proxy Statement may be obtained without charge by writing to the Corporate Secretary or by requesting them from the company's website at <http://www.anixter.com/InvestorRelations>.

By Order of the Board of Directors

JUSTIN C. CHOI

Executive Vice President, General Counsel & Secretary

Glenview, Illinois

April 20, 2018

All stockholders are invited to attend the meeting in person. Whether or not you expect to attend, please vote your shares by following the voting procedures set forth on the proxy card.

IMPORTANT NOTICE REGARDING AVAILABILITY OF PROXY MATERIALS FOR THE MEETING OF STOCKHOLDERS TO BE HELD ON MAY 24, 2018.

The 2018 Proxy Statement is available at <http://www.anixter.com/Proxy>.

The 2017 Annual Report is available at <http://www.anixter.com/AnnualReport>.

PROXY STATEMENT

For

ANNUAL MEETING OF STOCKHOLDERS

OF ANIXTER INTERNATIONAL INC.

To Be Held May 24, 2018

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Anixter International Inc. Our corporate headquarters are located at 2301 Patriot Boulevard, Glenview, Illinois 60026 (telephone 224-521-8000). The Proxy Statement and form of proxy were first mailed to our stockholders on or about April 20, 2018. Proxies solicited by the Board of Directors are to be voted at our Annual Meeting of Stockholders to be held on Thursday, May 24, 2018, at 8:30 a.m., at Two North Riverside Plaza, 7th Floor, Chicago, Illinois, or any adjournment(s) or postponement(s) thereof.

At the Annual Meeting you will be asked to vote on the following three proposals:

1. Election to our Board of Directors of the 12 nominees named in this Proxy Statement (Proposal 1)
2. Approval, on an advisory basis, of the compensation of our named executive officers, which we refer to as Say on Pay (Proposal 2)
3. Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2018 (Proposal 3)

Our Board of Directors recommends a vote **FOR** the election of each nominee for director named in this Proxy Statement, **FOR** the approval of executive compensation and **FOR** the ratification of the appointment of Ernst & Young LLP.

If you are a stockholder of record and you sign and return your proxy without making any selections, your shares will be voted in accordance with the Board's recommendations.

If other matters properly come before the meeting, the proxy holders will have the authority to vote on those matters for you at their discretion. As of the date of this Proxy Statement, we are not aware of any matters that will come before the meeting other than those disclosed in this Proxy Statement.

Who can vote at the Annual Meeting?

Each share of our common stock issued and outstanding is entitled to one vote on each matter. Only stockholders of record as of the close of business on March 26, 2018, the record date, are entitled to receive notice of, and to vote at, the Annual Meeting. As of March 26, 2018, there were 33,422,996 shares of our common stock issued and outstanding.

What is the difference between a stockholder of record and a beneficial owner of shares held in street name?

Edgar Filing: ANIXTER INTERNATIONAL INC - Form DEF 14A

You are a stockholder of record if your shares are registered directly in your name with our transfer agent, Wells Fargo Bank, N.A.

You are a beneficial owner of shares held in street name if your shares are held in an account at a brokerage firm, bank, broker-dealer or other similar organization. The organization holding your account is considered the stockholder of record. However, you, as the beneficial owner, have the right to instruct that organization on how to vote the shares held in your account.

How do I vote?

If you are a stockholder of record, there are four ways to vote:

In Person. You may vote your shares of common stock in person at the meeting.

By Mail. You may vote by proxy by signing and dating the enclosed proxy card and returning it by mail.

By Telephone. You may vote by proxy by calling the toll-free number found on the proxy card.

Via the Internet. You may vote by proxy via the Internet by following the instructions on the proxy card. If you are a beneficial owner of shares held in street name (for example, in the name of a bank, broker or other record holder), you must vote your shares in accordance with the voting instruction form provided by your bank, broker or other holder of record. If you hold your shares in street name, you must obtain a proxy from your bank, broker or other holder of record in order to vote in person at the meeting.

Can I change my vote?

You may revoke your proxy at any time before it is voted at the meeting by:

delivering to us a written notice of revocation prior to or at the meeting,

submitting a later dated proxy by mail, telephone or the Internet, or

attending the meeting and voting your shares in person.

If you are a beneficial stockholder, you may change your vote by following your nominee's procedures for revoking or changing your proxy.

What is a broker non-vote ?

If you are a beneficial owner of shares held in street name and do not provide the organization that holds your shares with specific voting instructions then, under applicable rules, the organization that holds your shares may generally vote on routine matters but cannot vote on non-routine matters. If the organization that holds your shares does not receive instructions from you on how to vote your shares on a non-routine matter, that organization will inform the inspector of election that it does not have the authority to vote on this matter with respect to your shares. This is generally referred to as a broker non-vote.

What happens if I do not give specific voting instructions?

If you are a stockholder of record and you vote by proxy, the individuals named on the proxy card will vote your shares in the manner you indicate. If your proxy card does not indicate how you want to vote, then the persons named as proxy holders will vote your shares in the manner recommended by the Board on all matters presented in this Proxy Statement (that is, FOR the election of each director nominee and FOR each of Proposals 2 and 3 and as the proxy holders may determine in their discretion with respect to any other matters properly presented for a vote at the Annual Meeting.

If your shares are held in street name, and you do not provide your broker or nominee with voting instructions, the broker or nominee may represent your shares at the meeting for purposes of obtaining a quorum, but may not exercise discretion to vote your shares at the meeting unless the proposal is considered a routine matter. The only matter being proposed for stockholder vote at the 2018 Annual Meeting that is considered a routine matter is the proposal to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm. As a result, in the absence of voting instructions from you, your broker or nominee will not have discretion to vote on the election of directors and the company's executive compensation. If you are a beneficial owner, it is important that you provide

instructions to your bank, broker or other holder of record so that your vote is counted.

What is the quorum requirement for the Annual Meeting?

A quorum is the minimum number of shares that must be present in order to transact business at the Annual Meeting. A majority of the outstanding shares of our common stock present in person or represented by proxy at the Annual Meeting will constitute a quorum. If a quorum is not present, the meeting will be adjourned until a quorum is obtained. Abstentions and broker non-votes are counted for purposes of determining whether a quorum is present at the Annual Meeting.

What is the voting requirement to approve each of the proposals?

The election of directors (Proposal 1) will be determined by a majority of the votes cast. To be elected, the number of votes cast for a nominee's election must exceed the number of votes cast against that nominee's election. An abstention or broker non-vote will have no effect on the election of directors. **Your broker will not be able to vote your shares with respect to the election of directors if you have not provided instructions to your broker. We encourage you to exercise your right to vote by voting your shares utilizing one of the procedures set forth on the proxy card or the voting instruction form provided by your broker.**

The non-binding advisory vote to approve executive compensation (Proposal 2) requires the affirmative vote of a majority of the shares represented in person or by proxy at the Annual Meeting and entitled to vote. An abstention will have the effect of a vote against this proposal. A broker non-vote will have no effect on this proposal. **Your broker will not be able to vote your shares with respect to this proposal if you do not provide instructions to your broker.**

Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm (Proposal 3) requires the affirmative vote of a majority of the shares represented in person or by proxy at the Annual Meeting and entitled to vote. An abstention will have the effect of a vote against the ratification. Brokers have discretionary authority to vote on the ratification of the appointment of Ernst & Young LLP.

Since Proposal 2 is a non-binding advisory vote, what is the effect if it is approved?

Although the advisory votes on Proposal 2 is non-binding, our Board and the Compensation Committee will review the results and take them into account in making future decisions regarding executive compensation.

Will the voting results of the Annual Meeting be made available?

The preliminary voting results will be announced at the Annual Meeting. The final voting results will be tallied by the inspector of election and published in a Current Report on Form 8-K, which we are required to file with the Securities and Exchange Commission (SEC) within four business days following the Annual Meeting.

Who is paying for the cost of this proxy solicitation?

We are paying the costs of this solicitation of proxies. We may request brokerage houses, nominees or fiduciaries and other custodians to solicit their principals or customers for their proxies, and may reimburse them for their reasonable expenses in doing so. In addition, we have retained Morrow Sodali, LLC, 470 West Ave., Stamford, CT 06902 to assist in the solicitation for a fee of \$7,500 plus expenses.

In addition to soliciting proxies by mail, our directors, officers and regular employees may, without additional compensation, solicit proxies on our behalf from stockholders personally or by telephone, facsimile, internet or other means of communication.

How can I attend the Annual Meeting?

Only stockholders as of the record date and our invited guests may attend the Annual Meeting. Admission will be on a first-come, first-served basis. To be admitted to the meeting, you must present an appropriate form of personal identification verifying your name is on our stockholder list. If your shares are held in street name, you should also bring a brokerage statement indicating your ownership of the shares as of the record date and a letter from your bank, broker or other holder of record confirming your beneficial ownership of such shares. If you wish to vote your shares held in street name at the meeting, you must obtain a proxy from your bank, broker or other holder of record and bring

the proxy to the meeting.

PROPOSAL 1: ELECTION OF DIRECTORS

The Board of Directors has nominated the 12 individuals named below for election as directors. Of the 12 nominees, 11 currently serve as directors. William A. Galvin, who has been selected as the next chief executive officer of the company, has been nominated for the first time for election as a director. Robert W. Grubbs will retire from the Board of Directors on the date of the Annual Meeting. All directors are elected to hold office until the next annual meeting of stockholders or until their successors are elected and qualified. Although the Board of Directors does not contemplate that any nominee will be unable to serve as a director, in such event the proxies will be voted for another person selected by the Board of Directors upon recommendation of the Nominating and Governance Committee, unless the Nominating and Governance Committee acts to reduce the size of the Board in accordance with the provisions of our by-laws. The number of directors has been set at 12 by the Board at the recommendation of the Nominating and Governance Committee.

The Board of Directors, acting through the Nominating and Governance Committee, is responsible for assembling for stockholder consideration a group of nominees that, taken together, have the experience, qualifications, attributes, and skills appropriate for functioning effectively as a Board. The Nominating and Governance Committee regularly reviews the composition of the Board in light of changing requirements, our assessment of the Board's performance, and the inputs of stockholders and other key constituencies.

The Nominating and Governance Committee looks for certain characteristics common to all Board members, including integrity, judgment, independence, experience, effectiveness, maturity, absence of conflict and the ability and commitment to devote sufficient time and energy to Board service.

Although the Nominating and Governance Committee does not have a written policy regarding diversity, it seeks to include on the Board a complementary mix of individuals with the diverse backgrounds, experiences, viewpoints and skills necessary to meet the challenges that the Board confronts. These individual qualities can include, among others, particular subject matter expertise, experience in a related industry, leadership experience, relevant geographical experience, governmental experience and experience in managing large or complex organizations.

The following table sets forth the name and age as of March 26, 2018 of each nominee for director of the company (each of whom has consented to being named in the Proxy Statement and to serving if elected), the year each director was first elected, his or her position with the company, his or her principal occupation(s) for the last five years, any directorships currently held, or held during the past five years, by such person in companies which have a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the Exchange Act) or subject to the requirements of Section 15(d) of the Exchange Act or which are registered as investment companies under the Investment Company Act of 1940, and family relationships between directors and other directors or executive officers. It also describes the qualifications, experience and selected other biographical information for each director.

Name and Age

Qualifications, Experience and Biographical Information

Lord James Blyth, 77

Director since 1995; Chairman since May 2014 of Greycastle Holdings Ltd., a reinsurance business; Senior Advisor from 2007 to 2014, Vice Chairman from 2004 to 2007 and Partner from 2002 to 2004 of Greenhill and Co. Inc., an investment bank; Vice Chairman of MiddleBrook Pharmaceuticals, Inc. from 2008 to 2010; Chairman from 2000 to 2008 of Diageo plc, a global premium beverage company.

Lord Blyth brings to the Board important perspectives in the areas of international business, compensation and governance through his leadership of large multinational companies. He was the former Chief Executive and then Chairman of The Boots Company, a UK-based company involved in retailing, manufacturing and property. His experience on multiple boards provides an important global perspective on management and governance issues, and his experience and stature in the U.K. business community contributes to the Board's diversity of experience and viewpoints. Lord Blyth is one of the Audit Committee financial experts.

| Name and Age | Qualifications, Experience and Biographical Information |
|------------------------|--|
| Frederic F. Brace, 60 | <p>Director since 2009; Chairman and Chief Executive Officer since 2012 of Beaucastel LLC, a consulting company; Director, President and Chief Executive Officer from March 2015 to November 2017 of Midstates Petroleum Company, Inc., an exploration and production company (in April 2016, Midstates Petroleum Company, Inc. filed for protection under Chapter 11 of the Bankruptcy Code; it emerged from bankruptcy in October 2016); President from January 2014 to December 2014 of Niko Resources Ltd., an exploration and production company; various executive officer positions from 2010 to March 2012 at The Great Atlantic & Pacific Tea Company, a retail food business (in December 2010, The Great Atlantic & Pacific Tea Company filed for protection under Chapter 11 of the Bankruptcy Code; it emerged from bankruptcy in March 2012); Executive Vice President and Chief Financial Officer from 2002 to 2008 and various senior management positions since 1988 of UAL Corporation, an air transportation company. Director of Midstates Petroleum Company, Inc. and iHeartMedia, Inc.; former director of Niko Resources, Edison Mission Energy and The Standard Register Company.</p> <p>Mr. Brace's experience as a Chief Executive Officer, Chief Financial Officer and head of strategy for several large public companies augments the Board's insight into our financial and strategic performance. He also serves as Chairman of the Audit Committee of iHeartMedia, Inc. Mr. Brace is one of the Audit Committee financial experts.</p> |
| Linda Walker Bynoe, 65 | <p>Director since 2006; President and Chief Executive Officer since 1995 of Telemat Ltd., a project management and consulting firm, and Chief Operating Officer from 1989 to 1995. Director of Prudential Retail Mutual Funds and Northern Trust Corporation; Trustee of Equity Residential; former director of Simon Property Group, Inc. Ms. Bynoe served as a Vice President-Capital Markets for Morgan Stanley from 1985 to 1989, joining the firm in 1978.</p> <p>Ms. Bynoe's experience as a director of other large public companies and in management consulting, accounting, strategic planning and corporate governance assists the Board in setting the strategic direction of the company and in adopting sound internal control and governance practices. She is one of the Audit Committee financial experts and chairs the Nominating and Governance Committee.</p> |
| Robert J. Eck, 59 | <p>Director since 2008; Chief Executive Officer since July 2008, and President from July 2008 to June 2017, of the company and of Anixter Inc., a subsidiary of the company; various executive and senior management positions since 1990 of Anixter Inc. Director of Ryder System, Inc. since 2011 and a member of the Board of Trustees for Marquette University since September 2014.</p> <p>Mr. Eck has over 28 years of experience with the company in a wide variety of roles. As Chief Executive Officer, he brings detailed knowledge about our capabilities and</p> |

William A. Galvin, 55

initiatives, thereby facilitating the Board's role in setting strategic direction.

President and Chief Operating Officer since July 2017; Executive Vice President-Network and Security Solutions from 2007 to June 2017 of the company and of Anixter Inc., a subsidiary of the company; various executive and senior management positions since 1987 of Anixter Inc.

Mr. Galvin has over 30 years of experience with the company in a wide variety of roles. As President and Chief Operating Officer, he brings detailed knowledge about our capabilities and initiatives, thereby facilitating the Board's role in setting strategic direction.

Name and Age

Qualifications, Experience and Biographical Information

F. Philip Handy, 73

Director since 1986; a private investor; Founder and Chief Executive Officer since 1980 of Winter Park Capital, an investment firm; Chief Executive Officer from 2001 to 2015 of Strategic Industries, LLC, a diversified global manufacturing enterprise; Director of Owens Corning, Inc.; board member of several non-profit organizations including Excellence in Education National and The McCain Institute; former director of Ignite Restaurant Group, Inc., the Florida State Board of Education, WCI Communities, Inc., Rewards Network Inc., the National Board for Education Sciences, Lighting Science Group and Stand for Children.

Mr. Handy's role as the Chief Executive Officer of a global manufacturer adds to the Board's international perspective. His membership on the compensation committee of another large public company provides additional perspective to our Compensation Committee, which he chairs. Mr. Handy has formerly served as vice-chairman of the Board of the National Board for Education Sciences and the chairman of the Florida State Board of Education. His involvement with public policy issues contributes to the Board's diversity of experience and viewpoints.

Melvyn N. Klein, 76

Director since 1985; a private investor; Founder of Melvyn N. Klein Interests; President from 1987 until 2008 of JAKK Holding Corp., the managing general partner of the investment partnership GKH Partners, L.P.; Attorney and counselor-at-law since 1968; Chairman of Par Pacific Holdings, Inc. and director of Harbert, Inc. and JAKK Holding Corp.; Immediate Past Chairman of the Board of Visitors of the M.D. Anderson Cancer Center.

Mr. Klein has served on the Board during the entire evolution of our strategy and has helped guide us through several challenging economic and financial periods. He has been the President and CEO of two American Stock Exchange listed companies: Altamil Corporation and Eskey, Inc. In addition, Mr. Klein had an integral role in successfully building a number of industry-leading companies, including Savoy Pictures Entertainment, Inc. (subsequently merged with IAC Interactive), Santa Fe Energy Resources, Inc. (subsequently merged in part with Chevron and in part with Devon Energy) and the predecessors of Tenet Healthcare Corporation, Archrock Inc. and Exterran Corp. Mr. Klein was appointed by President Reagan to the Executive Committee of the President's Private Sector Survey on Cost Control in the Federal Government (Grace Commission) and by President Clinton to the U.S. State Department's Advisory Committee on International Economic Policy. He has been a member (since 1996) and a director (since 1997) of the Horatio Alger Association of Distinguished Americans. His education as an attorney and experience in government and as an entrepreneur, corporate leader and investor, and his extensive public company board experience, assists the Board in its risk evaluation, corporate governance and oversight role. Mr. Klein's experience and accomplishments in building businesses, including a number of industry leading companies and his experience in senior positions within the public sector adds depth and perspective to the Board. Mr. Klein chairs our Audit Committee and is one of its financial experts.

| Name and Age | Qualifications, Experience and Biographical Information |
|-------------------------|--|
| George Muñoz, 66 | <p>Director since 2004; Principal of Muñoz Investment Banking Group, LLC, and partner with the law firm of Tobin & Muñoz since 2001; President and Chief Executive Officer from 1997 to 2001 of Overseas Private Investment Corporation; Assistant Secretary and Chief Financial Officer from 1993 to 1997 of the U.S. Treasury Department; Director of Marriott International, Inc., Altria Group, Inc. and Laureate Education, Inc. He is also a Trustee of the National Geographic Society since 2004.</p> <p>Mr. Muñoz maintains legal and investment banking practices. As a former President of the Overseas Private Investment Corporation and a former Chief Financial Officer of the U.S. Treasury, he also brings foreign investment and governmental experience to the Board. He is a Certified Public Accountant and chairs the audit committees of Altria Group, Inc. and Laureate Education, Inc.</p> |
| Scott R. Peppet, 48 | <p>Director since 2014; Professor of Law since 2000 at the University of Colorado Law School; member of the Investment Committee of Chai Trust Company, LLC since 2014 and the Ownership Committee of Equity International since 2012. Mr. Peppet is the son-in-law of Samuel Zell.</p> <p>Mr. Peppet brings experience in contracts, negotiations, complex transactions, legal ethics, privacy law and technology to the Board along with an outstanding record of leadership and deep experience in the legal field. He has authored several articles on the ways in which information technologies are changing markets and the policy implications of such technologies, which have been presented at the Federal Trade Commission, the International Conference on Privacy and Data Protection, the Privacy Law Scholars Conference, and other invited venues. Mr. Peppet's work has been recognized in various news publications, including the New York Times and on National Public Radio.</p> |
| Valarie L. Sheppard, 54 | <p>Director since 2015; Senior Vice President, Comptroller and Treasurer since 2013 and Vice President and Comptroller since 2005 of The Procter & Gamble Company, a leading manufacturer and marketer of packaged consumer goods.</p> <p>Ms. Sheppard brings to the Board important perspective on international business from a large multi-national corporation. She also brings expertise on business unit finance, strategy development, mergers & acquisitions and corporate finance matters. Ms. Sheppard has experience serving on multiple non-profit and joint venture boards. Ms. Sheppard is one of the Audit Committee financial experts.</p> |
| Stuart M. Sloan, 74 | <p>Director since 1994; a Principal since 1984 of Sloan Capital Companies LLC, a private investment company; Director of Pendrell Corp. (formerly ICO Global Communications (Holdings) Limited).</p> |

Mr. Sloan was formerly the Chairman and Chief Executive Officer of two public companies and has been a successful investor for over 30 years. His investment activities give him a broad perspective on macroeconomic trends and developments which could affect our financial performance. He also provides experience serving on the compensation committees of other public companies.

Name and Age

Qualifications, Experience and Biographical Information

Samuel Zell, 76

Director since 1984; Chairman of the Board of Directors of the company since 1985; Chairman since 1999 and Chief Executive Officer from 2012 to 2018 of Equity Group Investments division of Chai Trust Company, LLC, a private investment company, and its President from 2006 to 2012; Chairman of the Board of Trustees since May 2014 of Equity Commonwealth, an equity real estate trust that owns and operates office properties; Chairman of the Board since September 2005, Director since 1999, and President, Chairman and Chief Executive Officer from July 2002 until December 2004, of Covanta Holding Corporation (previously known as Danielson Holding Corporation), a waste-to-energy and specialty insurance services company. For more than the past five years Mr. Zell has been Chairman of the Board of Equity LifeStyle Properties, Inc., an equity real estate investment trust that owns and operates manufactured home communities, and RV resorts and campgrounds; and Chairman of the Board of Trustees of Equity Residential, an equity real estate investment trust that owns and operates rental apartment properties. Mr. Zell was Chairman of the Board of Tribune Company, a diversified media company, from December 2007 until December 2012 and its Chief Executive Officer from December 2007 to December 2009 (in December 2008, the Tribune Company filed for protection under Chapter 11 of the Bankruptcy Code; it emerged from bankruptcy in December 2012) and was Chairman of the Board of Capital Trust, Inc., a specialized finance company, from 2003 to 2012. Mr. Zell is the father-in-law of Scott R. Peppet.

Mr. Zell is an active investor in public and private companies around the world. He is a well-known figure in the finance, corporate and real estate sectors and he provides companies in which he invests with strategic direction and access to a network of resources across a broad range of industries. Mr. Zell as Chairman, strongly promotes the creation of long-term stockholder value.

WE RECOMMEND THAT YOU VOTE FOR THE ELECTION OF EACH OF THESE

NOMINEES TO THE BOARD OF DIRECTORS

PROPOSAL 2: ADVISORY VOTE ON EXECUTIVE COMPENSATION

Pursuant to Section 14A of the Exchange Act, the company is required to submit to stockholders a resolution subject to an advisory vote to approve the compensation of the company's named executive officers. The current frequency of the advisory vote on executive compensation is annually and the next such vote will be held at our 2019 Annual Meeting of Stockholders.

The Board of Directors encourages our stockholders to carefully review the Compensation Discussion and Analysis (CD&A) and Executive Compensation sections of this Proxy Statement for a complete discussion of the company's compensation program for named executive officers. Our executive compensation program is designed to closely align executive rewards with the overall return to stockholders and Company performance with the following objectives:

be market competitive to attract and retain talented executives

recognize sustained above-market performance with comparably superior compensation

motivate continuing improvement and future performance at above-market levels relative to competitive peer group companies

drive the achievement of specific strategic objectives designed to enhance long term stockholder value creation

encourage prudent levels of business risk to meet our short and long term performance goals

promote ownership in the company at a reasonable cost to our stockholders

be transparent and understandable to the participants and our stockholders

be consistent with our corporate governance principles

We believe our executive compensation program has been effective in achieving these goals. For example, our compensation program:

is overseen by an independent Compensation Committee

requires compensation recoupment (clawback) in the event of financial restatements

has stock ownership guidelines for all executives

incorporates a three or four-year vesting period for nearly all equity awards to emphasize long term performance

does not provide guaranteed increases in salary, incentive awards or long term equity incentives

provides annual incentive awards based solely on performance

provides pension benefits based only on actual years worked

does not provide tax reimbursement on perquisites for named executive officers, with the exception of relocation expenses

does not allow re-pricing or replacing of outstanding options or stock appreciation rights

does not provide guaranteed annual incentives to senior executives

generally, employs all executive officers at will, with termination benefits only paid on a change of control resulting in a qualifying termination or in certain other limited circumstances, such as in connection with a merger or acquisition

benchmarks primary components of compensation (salary, cash compensation and total compensation), targeting the 50th to 75th percentiles of compensation paid to executives at a comparison group of companies. We are asking our stockholders to indicate their support for our named executive officer compensation as described in this Proxy Statement. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the policies and procedures described in this Proxy Statement. Accordingly, we ask our stockholders to vote **FOR** the following resolution at the Annual Meeting:

RESOLVED, that the compensation paid to the company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion is hereby approved.

As an advisory vote, the result is not binding on the company, the Board of Directors or the Compensation Committee. However, the Compensation Committee and the Board of Directors value the opinions expressed by our stockholders and will carefully consider the outcome when evaluating our executive compensation program.

**WE RECOMMEND THAT YOU VOTE FOR THE APPROVAL OF THE
COMPENSATION OF THE NAMED EXECUTIVE OFFICERS**

PROPOSAL 3: RATIFY THE APPOINTMENT OF ERNST & YOUNG LLP

The Audit Committee has re-appointed Ernst & Young LLP to serve as our independent registered public accounting firm for fiscal year 2018, subject to ratification by our stockholders. For further information regarding Ernst & Young LLP, please reference the Report of the Audit Committee and the Independent Registered Public Accounting Firm and Their Fees sections of this Proxy Statement. Representatives of Ernst & Young LLP, who are expected to be present at the meeting, will be given an opportunity to make a statement if they so desire and to respond to appropriate questions asked by stockholders. If the stockholders should fail to ratify the appointment of Ernst & Young LLP, the Audit Committee would reconsider the appointment.

**WE RECOMMEND THAT YOU VOTE FOR THE RATIFICATION OF ERNST & YOUNG LLP
AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
FOR FISCAL YEAR 2018**

CORPORATE GOVERNANCE

Governance Guidelines and Charters

The operation of the Board of Directors is governed by our corporate by-laws and Corporate Governance Guidelines. The operations of the Executive Committee, the Audit Committee, the Compensation Committee and the Nominating and Governance Committee are governed by charters adopted by each committee and ratified by the Board of Directors. The Corporate Governance Guidelines and each of the committee charters can be viewed on our website at: <http://www.anixter.com/CorporateGovernance>.

Code of Ethics

We have a longstanding Global Business Ethics and Conduct Policy which is applicable to all directors and employees, including the principal executive officer, the principal financial officer, the principal accounting officer and other officers. Our Global Business Ethics and Conduct Policy can be viewed on our website at: <http://www.anixter.com/Ethics>.

Director Independence

The Board of Directors determines the independence of its directors and nominees by requiring each of them to complete and return a questionnaire which solicits information relevant to a determination of independence under applicable New York Stock Exchange (NYSE) and Securities and Exchange Commission rules, as well as any other direct or indirect relationship that the director may have with the company. Independence is determined by the Board after presentation and discussion of questionnaire responses. The Board considers all relevant facts and circumstances in making an independence determination. To be considered independent, an outside director must meet the bright line independence tests established by the NYSE and the Board must affirmatively determine that the director has no direct or indirect material relationship with the company. A material relationship is one which impairs or inhibits or has the potential to impair or inhibit a director's exercise of critical and disinterested judgment on behalf of the company and its stockholders. Based on this procedure, directors and nominees, except for Mr. Eck and Mr. Galvin, were found to be independent.

Board of Directors

The Board of Directors held four meetings in 2017. Each of the directors attended 75 percent or more of the total of all meetings held by the Board and the committees on which the director served. We encourage our directors to attend the Annual Meeting of Stockholders. All directors attended the 2017 Annual Meeting of Stockholders.

Board Committees

The Board has a standing Executive Committee, Audit Committee, Compensation Committee and Nominating and Governance Committee. The Board has determined that the Chairs and all committee members are independent under applicable NYSE and SEC rules for committee memberships. The Chairs and members of each committee are shown in the table below.

| Name | Executive Committee | Audit Committee | Compensation Committee | Nominating and Governance Committee |
|---------------------|---------------------|-----------------|------------------------|-------------------------------------|
| Lord James Blyth | | Member | Member | Member |
| Frederic F. Brace | | Member | Member | Member |
| Linda Walker Bynoe | Member | Member | Member | Chair |
| Robert J. Eck | | | | |
| Robert W. Grubbs | | | | |
| F. Philip Handy | Member | | Chair | Member |
| Melvyn N. Klein | Member | Chair | Member | Member |
| George Muñoz | | | Member | Member |
| Scott R. Peppet | | | | |
| Valarie L. Sheppard | | Member | Member | Member |
| Stuart M. Sloan | | | Member | Member |
| Samuel Zell | Chair | | | |

Executive Committee

The Executive Committee exercises the full powers of the Board of Directors to the extent permitted by law in the intervals between Board meetings. The Executive Committee did not meet in 2017.

Audit Committee

The Audit Committee is primarily responsible for overseeing:

the integrity of our financial statements

our compliance with legal and regulatory requirements

the qualifications and independence of our independent registered public accounting firm

the performance of our independent registered public accounting firm and our internal audit function

In addition to its oversight, the Audit committee is directly responsible for the appointment and compensation of the company's independent registered public accounting firm. Ernst & Young LLP has been the company's independent registered public accounting firm since 1980. The Audit Committee was involved in the selection of the current lead partner in 2017. Considering the relative benefits, challenges, overall advisability, and potential impact of selecting a different independent registered public accounting firm, the committee believes that the company's current choice of

independent registered public accounting firm is in the best interest of the company and its stockholders.

Each member of the Audit Committee is independent and has been designated as an audit committee financial expert, as defined by the Securities and Exchange Commission. No member of the Audit Committee serves on more than three public company audit committees.

The Audit Committee held eight meetings in 2017.

Compensation Committee

The Compensation Committee exercises all powers of the Board of Directors in connection with compensation matters, including incentive compensation, benefit plans and equity-based grants.

The essential functions of the Compensation Committee are to:

annually determine that the Chief Executive Officer's compensation is appropriately linked to corporate objectives, evaluate the Chief Executive Officer's performance in light of those objectives, and set the Chief Executive Officer's compensation based on this evaluation

annually review and approve the compensation of our other senior executives, including the named executive officers

retain overall responsibility for approving, evaluating, modifying, monitoring and terminating our compensation and benefit plans, policies and programs, including all employment, severance and change in control agreements, supplemental benefits and perquisites in which executives subject to the Compensation Committee's review participate

recommend to the Board new or modified cash or equity-based incentive plans

recommend to the Board the form and amount of compensation for non-employee directors

review and discuss with management the Compensation Discussion and Analysis prepared by management and, based on its review and discussions, recommend to the Board that the Compensation Discussion and Analysis be included in our Annual Report on Form 10-K and Proxy Statement

review and discuss with management its risk review of compensation programs for senior executives and the broader employee group

select the companies included in the comparison group for senior executive compensation

The Compensation Committee has the sole authority to retain and terminate outside advisors in executing its duties, including sole authority to approve their fees and other retention terms. Since 2005, the Compensation Committee has retained PricewaterhouseCoopers (PwC) as its outside compensation consultant. The Compensation Committee may delegate certain of its activities with regard to the compensation consultant to the Committee Chairman and/or representatives from our management, as appropriate.

The Compensation Committee has directly engaged PwC to provide: (1) general advisory services in areas consistent with the Compensation Committee's charter, including Compensation Committee processes and practices, incentive plan design and use, and significant regulatory and market trends related to executive compensation, and (2) benchmarking services in connection with the Compensation Committee's determination of the amount and form of director and executive compensation.

Management also plays a significant role in determining or recommending the amount and form of executive compensation by recommending performance targets and objectives and evaluating executive performance. Each year, management also provides the Compensation Committee with recommended base salary, target annual cash incentive

and equity-based award for each senior executive, which includes all executive officers, persons reporting directly to the Chief Executive Officer and other selected members of senior management. Each executive's immediate superior is responsible for providing the recommendation for that executive, which is then reviewed by the Chief Executive Officer for recommendation to the Compensation Committee. Our Chairman of the Board (who is not an executive of the company), in consultation with the Compensation Committee Chairman, is responsible for providing the recommendation to the Compensation Committee for the Chief Executive Officer's base salary, target annual cash incentive and equity-based award and for purposes of this discussion is deemed to be the Chief Executive Officer's immediate superior.

These recommendations are based, in part, on a review of competitive market data provided to management and the Compensation Committee by PwC. This data shows base salaries, total cash compensation and total compensation at the 50th and 75th percentiles of the range paid by other companies to executives holding comparable positions, which is the reference range chosen by the Compensation Committee as appropriate for benchmarking the compensation of our senior executives. The Compensation Committee, working with PwC, selects the companies for the comparison group which it believes are representative of the types of companies with which we compete for executives. See Compensation Discussion and Analysis in this Proxy Statement for the companies in the comparison group.

In addition to a review of the competitive market data, management's recommendations for individual executives are based on a variety of other factors, including experience in the position, performance, scope of duties compared to the benchmark positions used in the competitive market data, career potential, ability to impact results and retention goals. The evaluation of these factors and their impact on the recommendations is subjectively determined by the person making the recommendation.

After the Chairman of the Board and the Compensation Committee Chairman develop the recommendations for the Chief Executive Officer, the recommendations are presented to the full Compensation Committee for review, discussion, final determination and approval. Similarly, management's recommendations for the other senior executives, including the named executive officers, are reviewed by PwC and the Compensation Committee Chairman and presented to the full Compensation Committee for review, discussion, final determination and approval.

The Compensation Committee held five meetings in 2017.

Nominating and Governance Committee

The Nominating and Governance Committee identifies and recommends director nominees, advises the Board of Directors on corporate governance issues and Board organization and assesses Board performance.

The Board of Directors is responsible for selecting candidates for Board membership and for extending invitations to join the Board of Directors through the Nominating and Governance Committee. Candidates must meet the requirements of applicable law and listing standards, and are selected for qualities such as integrity, judgment, independence, experience, effectiveness, maturity, commitment and other relevant considerations. Any director may recommend a candidate for nomination to the Board of Directors. Consistent with its charter, the Nominating and Governance Committee is responsible for identifying and screening candidates (in consultation with the Chairman of the Board and the Chief Executive Officer), for establishing criteria for nominees and for recommending to the Board a slate of nominees for election to the Board of Directors at the Annual Meeting of Stockholders. Final approval of any candidate shall be determined by the Board of Directors.

The Nominating and Governance Committee will consider candidates submitted by stockholders on the same basis as other candidates. Stockholders desiring to recommend a candidate for nomination at an annual stockholder's meeting must notify our Corporate Secretary no later than 120 days prior to the date our proxy statement was released to stockholders in connection with the previous year's annual meeting. Communications should be sent to: Secretary, Anixter International Inc., 2301 Patriot Boulevard, Glenview, IL 60026. Communications must set forth: the name, age, business address and residence address, e-mail address and telephone number of the proposed nominee; the principal occupation or employment of the proposed nominee; the name and record address of the stockholder who is submitting the notice; and a description of all arrangements or understandings between the stockholder who is submitting the recommendation and the proposed nominee.

The Nominating and Governance Committee held three meetings in 2017.

Executive Sessions

Each regularly scheduled Board and Committee meeting includes an executive session. The Chairman of the Board of Directors presides over all Board meetings and the executive sessions thereof, including meetings of the independent directors of the Board. The Chair of each Committee presides over executive sessions of that Committee. If the Chairman of the Board is not present, a lead director is selected by the independent directors present at the Board meeting, or if the Committee Chair is not present, the presiding director for the Committee meeting is selected by the independent directors present.

Board Leadership Structure

The offices of Chairman of the Board and Chief Executive Officer have been at times combined and at times separated. The Board has exercised discretion in combining or separating the positions as it has deemed appropriate in light of prevailing circumstances. The Board of Directors believes that the combination or separation of these offices should continue to be considered as part of the succession planning process.

At the current time, the Board believes that separating these offices promotes Board efficiency, allows the Chief Executive Officer to focus more fully on the implementation of our strategy and is in the best interest of our stockholders.

Our current Chairman, Samuel Zell, is particularly well qualified to ensure that the Board's focus remains on the creation of long-term value for stockholders.

Succession Planning

The Board regularly reviews short and long-term succession plans for the Chief Executive Officer and for other senior management positions. In assessing possible CEO candidates, the independent directors identify the skills, experience and attributes they believe are required to be an effective CEO in light of the company's global business strategies, opportunities and challenges. In connection with this review, the Board recently named William A. Galvin to succeed Robert J. Eck, as CEO effective July 1, 2018.

The Board also considers its own composition and succession plans. Discussion of these topics is an important part of the annual Board evaluation process. In Director succession planning, the Nominating and Governance Committee and the Board take into account, among other things, the needs of the Board and the company in light of the overall composition of the Board with a view of achieving a balance of the skills, experience and attributes that would be beneficial to the Board's oversight role. In keeping with the company's past practice, the Board has nominated its next CEO, William A. Galvin, and re-nominated its retiring CEO, Robert J. Eck, to serve as directors.

The Board's Role in Risk Oversight

Overseeing our risk management processes and practices is a key function and competence of the Board and its committees.

Each year, management reports to the Board or one of its committees (as appropriate for the subject matter) on the nature of risks inherent in our business and risk management practices with respect thereto including: customer strategies and credit; vendor relationships and their sustainability; product liability; business continuity and information security, recovery and development; economic trends; foreign exchange; taxation; regulatory, ethical and other compliance topics; insurance; succession planning and the attraction, retention and development of employees; compensation plans; budgeting and forecasting; public reporting; liquidity and funding; working capital; capital transactions; acquisitions and divestitures; and significant geographic or product line expansions.

These risks are considered by management and the Board in developing and approving strategic plans, annual operating plans and incentive arrangements.

Communicating with the Board of Directors and Non-Management Directors

Stockholders and other parties interested in communicating directly with the Board of Directors, individual directors, the presiding director or the non-management directors, may do so by directing such communications to our Corporate Secretary at: Secretary, Anixter International Inc., 2301 Patriot Boulevard, Glenview, IL 60026 and should prominently indicate on the outside of the envelope that it is intended for the Board of Directors, individual directors, the presiding director, or for non-management directors. Each communication intended for members of the Board of Directors and received by the Secretary will be reviewed by the Secretary. Communications related to the operation of the company which are not sales solicitations or of a similar commercial nature will be forwarded to the specified party or parties.

Other Matters

We limit the number of corporate boards on which our directors and director nominees may serve to six, including their directorship with us. Directors who serve as chief executive officers of another public company may only serve on two corporate boards including their directorship with us. Nominees to our Board must declare their intent to reduce their board commitments to six, or two, as the case may be.

REPORT OF THE AUDIT COMMITTEE

Pursuant to the Audit Committee Charter, the function of the Audit Committee is to oversee (i) the integrity of the company's financial statements, (ii) the company's compliance with legal and regulatory requirements, (iii) the independent registered public accounting firm's qualifications and independence, and (iv) the performance of the independent registered public accounting firm and the company's internal audit function. While the Audit Committee has the duties and powers set forth in its Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. Management is responsible for the preparation, presentation, and integrity of the company's financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the company. Management is also responsible for performing an evaluation and making an assessment of the effectiveness of the company's internal control over financial reporting as of the end of the company's most recent fiscal year, based on a suitable, recognized control framework. The independent registered public accounting firm is responsible for auditing the company's financial statements and the effectiveness of internal controls over financial reporting and for reviewing the company's unaudited interim financial statements.

In fulfilling our oversight responsibilities, we have reviewed and discussed the audited financial statements in the Annual Report with management. We have reviewed and discussed with the independent registered public accounting firm, which is responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles, their judgments as to the quality, not just the acceptability of the company's accounting principles and such other matters as are required to be discussed with the Committee under generally accepted auditing standards (including PCAOB Auditing Standard No. 1301, *Communications with Audit Committees*). In addition, we discussed with the independent registered public accounting firm their independence from management and the company, including the matters in the written disclosures and the letter from the auditors required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor's communications with us concerning independence. We also considered independence and the compatibility of non-audit services provided by the auditors to the company with their independence.

We discussed with the company's internal auditors and independent registered public accounting firm the overall scope and plans for their respective audits. The Committee regularly meets with the internal auditors and the independent registered public accounting firm, with and without management present, to discuss the results of their examinations, their evaluations of the company's internal controls, and the overall quality of the company's financial reporting. The Committee also reviews proposed interim financial statements with management and the independent registered public accounting firm. In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors that the audited financial statements be included in the Annual Report on Form 10-K for the fiscal year ended December 29, 2017 for filing with the Securities and Exchange Commission.

Melvyn N. Klein, Chair

Lord James Blyth

Frederic F. Brace

Linda Walker Bynoe

Valarie L. Sheppard

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM AND THEIR FEES

Fees for professional services rendered by Ernst & Young LLP with respect to fiscal years 2017 and 2016 are set forth below.

Audit Fees

Fees for audit services totaled approximately \$5,781,300 in 2017 and approximately \$6,308,500 in 2016, including fees associated with the annual audit, reviews of our quarterly reports on Form 10-Q, other SEC filings and statutory audits of foreign subsidiaries.

Audit-Related Fees

Fees for audit-related services in 2017 of \$2,000 were for the use of EY's online reference tool. Fees for audit-related services in 2016 of \$32,400 consisted of an IFRS workshop and the use of EY's online reference tool.

Tax Fees

Fees for tax services, including tax compliance, tax advice and tax planning, totaled approximately \$607,500 in 2017 and approximately \$397,600 in 2016.

All Other Fees

There were no fees for other services in 2017 and 2016.

Pre-Approval Policies and Procedures

The Audit Committee's current practice is to consider for pre-approval annually all audit and non-audit services (including tax services) proposed to be provided by the independent registered public accounting firm each year. The pre-approval policy is set forth in an Audit Committee position statement. In setting forth pre-approved services in its position statement, the Audit Committee details the particular services that may be provided and the policy reason why it is logical to use Ernst & Young instead of another service provider. Should the need arise to consider engaging Ernst & Young to provide non-audit services beyond the scope of what is outlined in the position statement or in an amount in excess of the amounts pre-approved by the Audit Committee, management will bring such proposals to the Audit Committee Chairman for consideration. The Audit Committee Chairman has the authority to either act on behalf of the Audit Committee or to call a special meeting of the Audit Committee to consider any such proposal. In the event that the Audit Committee Chairman acts on behalf of the Audit Committee and pre-approves such service, the decision is reported at the next meeting of the full Audit Committee. In considering whether to approve non-audit services, the Audit Committee considers whether the provision of such services by Ernst & Young is compatible with the maintenance of that firm's independence.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee hereby furnishes its report to the stockholders of the company in accordance with rules adopted by the SEC.

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management and, based on that review and discussion, has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference in the company's Annual Report on Form 10-K for the fiscal year ended December 29, 2017.

F. Philip Handy, Chair

Lord James Blyth

Frederic F. Brace

Linda Walker Bynoe

Melvyn N. Klein

George Muñoz

Valarie L. Sheppard

Stuart M. Sloan

-17-

COMPENSATION CONSULTING FEES

The Compensation Committee has retained PwC as its independent compensation consultant. PwC provides the Compensation Committee with data, analysis and assessment of alternatives related to the amount and form of executive and director compensation, but does not provide recommendations on compensation decisions for individual executive officers. In 2017, fees paid to PwC related to providing advice to the Compensation Committee were approximately \$177,000. Fees related to other services provided by PwC to us in 2017 were approximately \$909,000 of which \$462,000 related to the administration of our defined benefit pension plans and \$447,000 related to internal audit and tax services. The decision to use PwC for these other services, none of which related to executive compensation matters, was made by management. Although management reports on the nature and scope of these services, they were not specifically approved by the Compensation Committee.

As part of its review process in determining whether to engage PwC as compensation consultant for the upcoming year, the Compensation Committee assessed the independence of PwC, taking into consideration the following factors: (1) the provision of other services to us by PwC; (2) the amount of fees we paid to PwC as a percentage of PwC's total revenue; (3) PwC's policies and procedures that are designed to prevent conflicts of interest; (4) any business or personal relationship of PwC or the individual compensation advisors employed by the firm with any of our executive officers; (5) any business or personal relationship of the individual compensation advisors with any member of the Compensation Committee; and (6) any of our stock owned by PwC or the individual compensation advisors employed by the firm. Based on its analysis of the above factors, the Compensation Committee has concluded that no conflict of interest exists that would prevent PwC from serving as an independent consultant to the Compensation Committee. The Compensation Committee believes that the nature and scope of the other services provided to us do not impair PwC's ability to render independent advice to the Compensation Committee.

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

This section of the Proxy Statement discusses our executive compensation policies and programs, our compensation philosophy and objectives, the components of our executive compensation program and the process through which compensation is determined for the named executive officers. Our named executive officers for 2017 were:

| | |
|---------------------|--|
| Robert J. Eck | Chief Executive Officer |
| Theodore A. Dosch | Executive Vice President Finance and Chief Financial Officer |
| William A. Galvin | President and Chief Operating Officer |
| William A. Standish | Executive Vice President Operations |
| Robert M. Graham | Executive Vice President Electrical & Electronic Solutions |

In 2017, we followed substantially the same general policies and procedures for executive compensation that we had applied in 2016. Beginning in 2016, annual restricted stock unit grants consist of a combination of time-based restricted stock units (RSUs) and performance-based restricted stock units (PRSUs). We believe the adoption of PRSUs as part of our equity-based awards further enhances the performance sensitivity of the compensation of our senior executives.

The primary elements of our executive compensation program, which are discussed in greater detail below, include base salary, annual cash incentive awards and equity awards. These are considered together and benchmarked against compensation paid by peer companies using a reference range at the 50th and 75th percentiles of the range paid to

executives in comparable positions at peer companies. We also provide deferred compensation and retirement benefits as part of our executive compensation program.

Highlights of our executive compensation program in 2017 include the following:

The base salaries for each of the named executive officers were increased for 2017, based on the Compensation Committee's assessment of the individual's performance, potential for advancement and

tenure. Mr. Eck's base salary was increased 2.0% to \$1,000,000, placing him at approximately 6.4% above the 50th percentile of salaries paid to CEOs of peer companies. In connection with his promotion to President and Chief Operating Officer on July 1, 2017, Mr. Galvin's base salary was increased 11.1% to \$600,000. This increase placed him at approximately 7.6% below the 50th percentile of salaries paid to COOs of peer companies. The base salaries of the other named executive officers saw increases ranging from 3.3% to 7.7%, placing them at 2.3% below to 11.9% above the 50th percentile of the range of base salaries for comparable executives at peer companies.

The statistics which follow reflect Mr. Galvin's compensation in his new role of President and Chief Operating Officer.

We provided our executives with annual incentive award plans under our Management Incentive Plan that are designed to reward performance that supports our short-term performance goals. Consistent with recent practice, these awards were based on the executives meeting certain annual performance objectives approved by the Compensation Committee, including our achievement of certain specified operating profit and rates of return on tangible capital, as well as the achievement of other quantitative or qualitative individual goals. The annual performance objectives are determined so that target total cash compensation of each named executive officer is generally between the 50th and 75th percentile of the range of total cash compensation provided to similarly situated executives in peer companies. The target amounts set for the named executive officers for 2017 provided target total cash compensation ranging from 5.7% to 32.8% above the 50th percentile.

In March 2017, all named executive officers, other than Mr. Standish, received a combination of RSUs and PRSUs. Mr. Standish received only RSUs. Mr. Galvin also received an equity grant of RSUs and PRSUs in July 2017 in conjunction with his promotion to President and Chief Operating Officer. These grants are shown in the Summary Compensation Table and the Grants of Plan-Based Awards Table in this Proxy Statement. Consistent with past practice, we provided annual equity-based awards to our named executive officers so that their total compensation is between the 50th and 75th percentile of the total compensation provided to similarly situated executives in peer companies. We believe that the use of equity-based awards as a substantial part of compensation aligns the economic interests of the named executive officers with those of our stockholders and ensures that they maintain focus on the goal of enhancing long-term value for stockholders. Target total compensation provided ranged from 6.2% to 37.6% above the 50th percentile.

Compensation Philosophy and Objectives

We believe that the talents, experience, dedication and entrepreneurial skills of our senior executives, including the named executive officers, have been and will continue to be essential to our success. Accordingly, the objectives of our compensation program are to:

be market competitive to attract and retain talented executives

recognize sustained above-market performance with comparably superior compensation

motivate continuing improvement and future performance at above-market levels relative to competitive peer group companies

drive the achievement of specific strategic objectives designed to enhance long term stockholder value creation

encourage prudent levels of business risk to meet our short and long term performance goals

promote ownership in the company at a reasonable cost to our stockholders

be transparent and understandable to the participants and stockholders

be consistent with our corporate governance principles

To achieve these objectives, we use a variety of compensation elements, including base salary, annual cash incentive awards, equity-based awards, deferred compensation and retirement benefits, all of which are discussed below.

What our compensation program is designed to reward

Our compensation program is designed to motivate and align individual performance with our strategic objectives by rewarding and incentivizing our executives for assuming responsibilities deemed important to our success, for excelling in the discharge of those responsibilities, for achieving competitively superior performance over annual and longer periods of time and for achieving yearly financial and non-financial goals that we believe are important to the creation and maintenance of stockholder value.

The elements of our compensation program

Base salary, annual cash incentive awards and equity-based awards for senior executives, including the named executive officers, are considered together and benchmarked against compensation paid at comparable companies. We and the Compensation Committee believe that the use of benchmarking data is useful in determining the range that should be considered in setting the compensation of the named executive officers. The Compensation Committee, working with PwC, selects the companies for the comparison group which it believes are representative of the types of companies with which we compete for executives. These companies are chosen from organizations of a similar size or representative range of revenues, market capitalization and number of employees. The selection is also based on one or more characteristics that they share in common with us, such as similar operational models, business sectors and selected financial metrics. PwC conducts a periodic peer group review to confirm the reasonableness of the peer organizations based on the above factors and may, from time to time, make adjustments to the composition of the comparison group.

The 16 companies in the comparison group for 2017 were:

| | | |
|---------------------------------|---------------------------------|-------------------------------|
| Acuity Brands, Inc. | Fastenal Company | Patterson Companies, Inc. |
| Air Products & Chemicals | Genuine Parts Company | R.R. Donnelley & Sons Company |
| Applied Industrial Technologies | Henry Schein, Inc. | Watsco, Inc. |
| Arrow Electronics, Inc. | MSC Industrial Direct Co., Inc. | Wesco International, Inc. |
| Barnes Group | Owens & Minor, Inc. | W.W. Grainger, Inc. |
| Essendant Inc. | | |

These were the same companies in the 2016 comparison group.

The benchmarking data provided by PwC shows base salaries, total cash compensation (i.e., base salary and annual cash incentives) and total compensation (i.e., base salary, annual cash incentives and equity-based awards) at the 50th and 75th percentiles of the range paid by the comparison group of companies to executives holding comparable positions, which is the reference range chosen by the Compensation Committee as appropriate for benchmarking the compensation of our named executive officers. This information, together with recommendations from management, the Chairman of the Board and the Chairman of the Compensation Committee, are reviewed and considered by the Compensation Committee in reaching its final determination of executive compensation. See the Corporate Governance Compensation Committee section of this Proxy Statement for more information on how management's recommendations factor into the setting of compensation for executives other than the Chief Executive Officer and how recommendations of the Chairman of the Board and the Chairman of the Compensation Committee factor into the setting of compensation for the Chief Executive Officer.

Base Salary: We provide our executives with a fixed level of annual income necessary to attract and retain executives. The Compensation Committee meets in the early part of each year to review executive salaries. The principal factors considered in making salary adjustment decisions include the individual's performance, potential for advancement within the company, tenure with the company and tenure in the particular position. Annual salary

adjustments typically are effective as of January 1 of each year.

Mr. Eck's base salary was increased 2.0% from \$980,000 to \$1,000,000 effective January 1, 2017. His salary, as adjusted, placed him at approximately 6.4% above the 50th percentile of salaries paid by the

comparison group of companies to their chief executive officers. The Compensation Committee believed that this was an appropriate salary for a chief executive officer in his ninth year in the position and allowed for a reasonable progression in compensation based on future performance and increased tenure as a chief executive officer.

In connection with his promotion to President and Chief Operating Officer on July 1, 2017, Mr. Galvin's base salary was increased 11.1% from \$540,000 to \$600,000. His salary, as adjusted, placed him at approximately 7.6% below the 50th percentile of salaries paid by the comparison group of companies to their chief operating officers.

Salaries paid to the other named executive officers are shown in the Salary column of the Summary Compensation Table in this Proxy Statement, and represent increases ranging from 3.3% to 7.7% over base salaries paid in 2016. These base salary rates ranged from 2.3% below to 11.9% above the 50th percentile of the range of base salaries paid by the comparison group of companies to executives holding comparable positions.

Annual Incentive Awards: We provide our executives with annual incentive award plans designed to reward performance that supports our short-term performance goals. Annual incentive award plans for the named executive officers are provided under our stockholder approved Management Incentive Plan. Under this plan, each year the Compensation Committee establishes an award pool equal to 3% of our operating income as reported on our consolidated statements of operations for the plan year. A percentage of the award pool is assigned each year by the Compensation Committee to each named executive officer. The total amount of all awards for any year may not exceed the amount in the award pool for that year, and the maximum award for any participant in a given year may not exceed 50% of the applicable award pool. The Compensation Committee may, in its discretion, decrease the size of the award pool or the maximum award for any participant. Each year, the Compensation Committee also approves a target annual incentive for each executive that can be earned upon meeting the performance goals contained in the annual budget. Historically, and in 2017, these incentive plans provided an opportunity to earn an award for: (1) the achievement of the operating profit specified in the company's annual budget approved by the Board of Directors; (2) the achievement of the rate of return on tangible capital specified in the company's approved annual budget; and (3) the achievement of other quantitative or qualitative individual goals specified in the executive's incentive award plan.

The budget process for determining operating profit and the rate of return on tangible capital goals for 2017 began after we completed our 2016 mid-year review and forecast for the remainder of the year. We then considered planned actions and the potential for a changed operating environment or specific events that could have an effect on our financial performance in 2017, including volatility due to foreign currency and commodity price changes as well as macro-economic uncertainties associated with pending U.S. financial and tax policies. Planned actions may include but are not limited to the opening or closing of offices or warehouses in new or existing geographies, initiatives to increase market share or market penetration, new product introductions, the introduction of existing products into new geographies and acquisitions or divestitures. In addition, we considered the continued integration activities associated with the Power Solutions acquisition and the synergy realization plans. We also took into account the completion of large contracts which were not likely to be repeated or replaced, gross margin trends and macro-economic expectations, and a variety of other risks which may affect results. We then considered the potential magnitude of each of those effects.

Finalization of the budget by management included input from sales, marketing, operations, information technology, human resources and finance management with responsibilities for various end market sales initiatives, geographic profitability or global functional support. The 2017 budget was submitted in November of 2016 to the Board of Directors for review, discussion and approval.

We have chosen to reward the achievement of budgeted operating profit and rate of return on tangible capital because we believe that these items are among the most meaningful measures of our performance. By emphasizing earnings over sales, for example, the annual incentive plan helps to ensure that an acceptable level of profitability is maintained

and enhanced.

Rate of return on tangible capital is deemed to be an important measure of our success because the wholesale distribution industry in which we compete is working capital intensive. Our assets consist primarily of

inventories and accounts receivable, and the management of these assets to control borrowing costs and write downs in the value of these assets is crucial to our profitability.

Operating profit and rate of return on tangible capital are key drivers of net income, earnings per share and return on equity, and have been chosen over these latter measures in order to eliminate the effects of decisions about our capital structure, which tend to be longer-term in nature and therefore not well-suited to the annual incentive plan.

The final component of each executive's annual incentive plan consists of one or more quantitative or qualitative objectives, the achievement of which is deemed by his or her immediate superior (or by the Compensation Committee in the case of the Chief Executive Officer) to be within the executive's ability to influence and to be an important contribution to our short and/or long term success.

The amount of compensation that would be earned by an executive if all objectives in the annual incentive plan were fully met (but not exceeded) is the target amount for that executive. The 2017 target incentives, expressed as a percentage of salary, for each named executive officer were as follows: Mr. Eck: 125%; Mr. Dosch: 89%; Mr. Galvin: 82%; Mr. Standish: 81%; and Mr. Graham: 83%. See the Grants of Plan-Based Awards Table in this Proxy Statement for disclosure of threshold, target and maximum payouts for the named executive officers.

The target annual incentives are determined so that total cash compensation of each named executive officer is generally between the 50th and 75th percentile of the range of total cash compensation provided to similarly situated executives in the comparison group of companies. The target amounts set for the named executive officers for 2017 provided total cash compensation ranging from 5.7% to 32.8% above the 50th percentile.

Because we benchmark total cash compensation rather than annual incentives per se, and total cash compensation includes base salary, recommendations for target annual incentives can be affected by base salary determinations. However, the Compensation Committee believes that its target annual incentives are consistent with our philosophy that named executive officers should have a sizable amount of their cash compensation at risk. During the five-year period from 2013-2017, annual incentives paid to the named executive officers during such period ranged from 43% to 107% of their target amounts.

The weighting of each financial component was established with respect to each named executive officer's scope of authority and did not change from 2016, except for Mr. Galvin. His promotion to President and Chief Operating Officer in July 2017 resulted in the establishment of a new annual incentive plan with different financial components and weightings as described later in this section. For 2017, after giving effect to the new annual incentive plan for Mr. Galvin, (1) the worldwide operating profit component for each named executive officer represented 25% to 40% of the total target annual incentive under the plan; (2) the operating profit component for the named executive officers whose plans were also based on business segment operating profit represented 14% to 30% of the total target annual incentive under the plan; (3) the return on tangible capital component for each named executive officer whose plan was based on worldwide return on tangible capital represented 20% to 37% of the total target annual incentive under the plan; (4) the return on tangible capital component for the named executive officers whose plans were based on business segment return on tangible capital represented 9% to 20% of the total target annual incentive under the plan; and (5) the individual objective component of each named executive officer's plan was consistent with the strategies and actions underlying the annual operating plan, and represented 25% of the total target annual incentive under the plan.

Following are the individual qualitative objectives for each named executive officer.

- Mr. Eck: Build a plan for a management process and leadership development program in Utility Power Solutions (UPS). Ensure that processes, measurement and accountability are in place to achieve synergy goals. Meet and exceed synergy goals for the Power Solutions acquisition. Further develop succession plans and related professional development processes for senior management roles. Prepare recommendation for the Board of Directors on use of cash over the next three years.
- Mr. Dosch: Lead capital structure planning and initiatives to ensure appropriate liquidity for the business to manage both interest expense and currency exposure to reduce leverage and debt to total capital metrics. Meet debt covenants while maintaining flexibility. Lead the Power Solutions integration steering committee. Deliver business case synergy goals for recent acquisitions. Evaluate the global finance organization structure and update talent assessment and readiness. Provide guidance to the global finance leadership team to identify talent building opportunities. Develop strategy to address high risk customer accounts to supplement day to day credit management.
- Mr. Galvin: Coach and mentor the new EVP Network & Security Solutions (NSS) to ensure smooth transition and maintain growth. Meet and exceed synergy targets for recent acquisitions. Ensure the successful conversion of Tri-Ed onto the Anixter network. Work with operations on the network optimization study initiative, including helping to bridge the operational changes with the sales organization to improve profitability, process and the customer experience.
- Mr. Standish: Assess and mentor Operations leadership succession candidates and further develop their senior leadership skills. Work with the President & COO and CEO on an organizational alignment strategy for the NSS inventory management group. Drive efforts to develop a comprehensive U.S. facility optimization strategy encompassing strategic plans for the Electrical & Electronic Solutions (EES), NSS and UPS business groups. Integrate UPS operations and inventory control groups processes and people to more closely align with One Anixter philosophies.
- Mr. Graham: Exceed synergy targets in sales, total gross profit and contribution margin along with sustained quarter-over-quarter growth in the pipeline. Have EES play a meaningful role in the design and successful rollout of the network optimization program and the eCommerce programs. Establish a formal talent development program for employees below current regional vice president levels that will participate in a leadership program aimed at building a strong succession plan program. Continue to show working capital and controllable cost efficiencies across the global EES business.

When the financial results for the year are finalized, calculations of the amounts earned by each named executive officer pursuant to the terms of his annual incentive plan are prepared by management and furnished to the Compensation Committee. Payments for achievement of the operating profit and rate of return on tangible capital objectives are based on the application of the formula in the annual incentive plan to the audited financial results, while payments for achievement of individual objectives assigned to each executive are based on evaluation and recommendation by the executive's immediate superior or, in the case of the Chief Executive Officer, by the Chairman of the Board in consultation with the Chairman of the Compensation Committee, for review and approval by the Compensation Committee.

For 2017 the target incentive and the relative weight assigned to each performance goal for each named executive officer were as follows:

| | Robert J. Eck | Theodore A. Dosch | William A. Galvin | William A. Standish | Robert M. Graham |
|---|--------------------------|------------------------------|------------------------------|--------------------------------|-----------------------------|
| Target Incentive | \$ 1,250,000 | \$ 550,000 | \$ 467,500 ⁽¹⁾ | \$ 380,000 | \$ 350,000 |
| Financial Performance Goals: | | | | | |
| Worldwide Operating Profit | 38% | 38% | 32% | 40% | 25% |
| Worldwide Return on Tangible Capital | 37% | 37% | 20% | 35% | |
| Global Network & Security Solutions Operating Profit | | | 14% | | |
| Global Network & Security Solutions Return on Tangible Capital | | | 9% | | |
| Global Electrical & Electronic Solutions Operating Profit | | | | | 30% |
| Global Electrical & Electronic Solutions Return on Tangible Capital | | | | | 20% |
| Individual Objectives | 25% | 25% | 25% | 25% | 25% |

(1) As a result of the promotion of Mr. Galvin to President and Chief Operating Officer effective July 1, 2017, and the related increase in base salary, his target incentive opportunity increased to equal 82% of his salary. The target incentive, financial performance goals and assigned weightings for Mr. Galvin presented above reflect the adjustments made in connection with his promotion.

For each performance goal there is a threshold level of performance, below which no incentive is paid. Attainment of the threshold level results in payment of 25% of the target incentive amount, attainment of the target level of performance results in payment of 100% of the target incentive amount, and attainment of the maximum level of performance results in payment of 150% of the target incentive amount. In each case, a pro rata percentage is earned for performance between the threshold and the target and for performance between the target and the maximum.

The following table sets forth for 2017 the target and payout levels for each financial performance goal, actual performance and the actual percentage of the target incentive paid.

Worldwide Operating Profit Target: \$322,073,000

| Worldwide Operating Profit Tiers | Multiplier | Actual Performance | % Attainment of Target | Actual % of Target Incentive Paid |
|---|-------------------|-------------------------------|---|--|
| | | \$ 313,103,000 | 97.2% | 88% |
| Less than \$267,320,000 | .0 | | | |
| \$267,320,000 | .25 | | | |
| \$322,073,000 | 1.0 | | | |

\$344,618,000 or more 1.5

Worldwide Return on Tangible Capital Target: 23.4%

| Worldwide Return on Tangible Capital Tiers | Multiplier | Actual Performance | % Attainment of Target | Actual % of Target Incentive Paid |
|---|-------------------|---------------------------|-------------------------------|--|
| | | 23.8% | 101.7% | 113% |
| Less than 19.4% | .0 | | | |
| 19.4% | .25 | | | |
| 23.4% | 1.0 | | | |
| 25.0% or more | 1.5 | | | |

Global Network & Security Solutions (NSS) Operating Profit Target: \$295,411,000

| Global NSS Operating Profit Tiers | Multiplier | Actual Performance | % Attainment of Target | Actual % of Target Incentive Paid |
|--|-------------------|---------------------------|-------------------------------|--|
| | | \$ 260,201,000 | 88.3% | 43% |
| Less than \$249,463,000 | .0 | | | |
| \$249,463,000 | .25 | | | |
| \$295,411,000 | 1.0 | | | |
| \$316,639,000 or more | 1.5 | | | |

Global Network & Security Solutions (NSS) Return on Tangible Capital Target: 40.8%

| Global NSS Return on Tangible Capital Tiers | Multiplier | Actual Performance | % Attainment of Target | Actual % of Target Incentive Paid |
|--|-------------------|---------------------------|-------------------------------|--|
| | | 37.2% | 91.1% | 51% |
| Less than 35.2% | .0 | | | |
| 35.2% | .25 | | | |
| 40.8% | 1.0 | | | |
| 43.4% or more | 1.5 | | | |

Global Electrical & Electronic Solutions (EES) Operating Profit Target: \$116,007,000

| Global EES Operating Profit Tiers | Multiplier | Actual Performance | % Attainment of Target | Actual % of Target Incentive Paid |
|--|-------------------|---------------------------|-------------------------------|--|
| | | \$ 113,095,000 | 97.5% | 88% |
| Less than \$97,300,000 | .0 | | | |
| \$97,300,000 | .25 | | | |
| \$116,007,000 | 1.0 | | | |
| \$126,273,000 or more | 1.5 | | | |

Global Electrical & Electronic Solutions (EES) Return on Tangible Capital Target: 23.3%

| Global EES Return on Tangible Capital Tiers | Multiplier | Actual Performance | % Attainment of Target | Actual % of Target Incentive Paid |
|--|-------------------|---------------------------|-------------------------------|--|
| | | 24.5% | 105.0% | 139% |
| Less than 20.0% | .0 | | | |
| 20.0% | .25 | | | |
| 23.3% | 1.0 | | | |
| 24.8% or more | 1.5 | | | |

Multipliers also apply to the individual objectives. For other than the Chief Executive Officer, the executive's immediate superior evaluates the executive's achievement of the objective. This evaluation takes into account any particular challenges encountered in performing the objective, including developments which were outside of the executive's control. Based on this evaluation, the executive's immediate superior makes a qualitative judgment about

the extent to which the executive has met expectations for achievement of the objective, and recommends a multiplier to be applied to the target incentive. The multipliers are submitted, along with supporting commentary, to the Compensation Committee for review and approval. The Compensation Committee makes the same evaluation and determination for the Chief Executive Officer. In addition, the Compensation Committee can, at its discretion, apply a multiplier in excess of 1.5, provided the resulting total award under the annual incentive plan does not exceed the limitations imposed by our Management Incentive Plan on the amount of the aggregate award.

The performance of the named executive officers during 2017 resulted in the following multipliers applied to their target annual incentive with respect to their individual objectives: Mr. Eck: 1.25; Mr. Dosch: 1.20; Mr. Galvin: 1.20; Mr. Standish: 1.00 and Mr. Graham: 1.20. Annual incentive awards paid to the named executive officers with respect to the corporate performance goals and the individual objectives in accordance with these results are shown in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table in this Proxy Statement.

Equity-Based Awards: We are dedicated to enhancing long-term value for our stockholders and believe that the best way to ensure our senior executives, including the named executive officers, maintain focus on this goal is to provide a substantial part of their total compensation in the form of equity-based awards. Our use of equity-based awards is designed to promote ownership and align the economic interests of senior executives to those of our stockholders at a reasonable cost and to reward and retain senior executives identified as key to the continuity and success of our business or as high potential succession candidates. Commencing in 2016, the vesting of equity-based awards was conditioned on both performance and the passage of time with the issuance of PRSUs in addition to RSUs.

Our Stock Incentive Plan, as well as predecessor plans, all of which are stockholder approved, provide for various types of awards, including stock options, stock appreciation rights, stock awards, performance shares, stock units, performance units and dividend equivalent rights.

We have traditionally provided long-term incentive compensation to our named executive officers through equity-based awards in the form of stock options or RSUs (although we have not issued stock options since 2013). Commencing in 2016, we adopted PRSUs as part of our long-term incentive program for our named executive officers. In 2017, a combination of RSUs and PRSUs were issued to all but one of the named executive officers. Stock options provide an element of risk to executives in that value is created for the executives only when value is created for stockholders, and they provide a more leveraged vehicle for accomplishing this objective. RSUs manage potential increased dilution that would result from using only options and provide executives with outright value that supports executive retention. As compared to options, fewer RSUs and PRSUs can be used to meet long-term compensation objectives. PRSUs serve to strengthen the link of the senior executives' compensation to our longer-term results.

RSUs generally vest in 1/3 increments beginning on the second anniversary of the date of grant (except the RSUs granted to Mr. Standish vest in 1/3 increments beginning on the first anniversary of the date of grant).

PRSUs vest based on relative total shareholder returns compared to the S&P MidCap 400® Index. Each three-year performance period contains three performance cycles, each relating to one third of the total award. The three performance cycles within the performance period consist of separate tranches of 12 months, 24 months and 36 months, from January 1 of the year of grant. One-third of the PRSUs are adjusted after the end of each performance cycle and are earned as of the following anniversary of the grant date if employment continues through such anniversary. For the PRSUs granted in 2017, to the extent that our total shareholder return during a performance cycle meets or exceeds the 25th percentile rank of the total shareholder return of the index during that cycle, the PRSU holder will earn the following payout percentage of the shares subject to that cycle.

| TSR Percentile Rank | Payout Percentage |
|--|--------------------------|
| 75 th Percentile and above | 150% |
| 50 th Percentile and above, up to 75 th Percentile | 100% |
| 25 th Percentile and above, up to 50 th Percentile | 50% |
| Below 25 th Percentile | 0% |

Performance between listed rankings will be adjusted on straight-line interpolation.

In connection with his promotion to President and Chief Operating Officer, on July 1, 2017, Mr. Galvin was granted 7,711 RSUs and 3,798 PRSUs based on the July 1, 2017 closing price of \$78.20. These awards are subject to the same terms and conditions as the regular annual grants.

We generally provide annual equity-based awards to the named executive officers so that their total compensation is between the 50th and 75th percentile of the total compensation provided to similarly situated

executives in the comparison group of companies. This reflects our practice of leveraging total compensation relative to the benchmark rates which is consistent with our philosophy that senior executives, including the named executive officers, should receive a sizable amount of their total compensation as equity in the company. Because we benchmark total compensation for our named executive officers rather than equity-based awards per se, and total compensation includes total cash compensation, recommendations for equity-based awards can be affected by total cash compensation determinations. Target total compensation provided ranged from 6.2% to 37.6% above the 50th percentile. In determining the total amount of equity to award each year, the Compensation Committee also reviews the dilution and value transfer rates of the companies in the comparison group. With respect to dilution, PwC presents, for each company in the comparison group, shares reserved as a percentage of total diluted shares outstanding, along with the percentages associated with the 25th, 50th and 75th percentiles. Lower percentiles correlate to lower dilution. Based on that data, the company was between the 50th and 75th percentiles.

With respect to value transfer, PwC presents, for each company in the comparison group, the value (as a percentage of market capitalization) of equity grants to all recipients and to the chief executive officer for each of the three most recent years available, and the three-year average. Percentages associated with the 25th, 50th and 75th percentiles are also presented. Lower percentiles correlate to lower award values in relation to market capitalization. Based on that data, the company was between the 50th and 75th percentiles in value transferred to its Chief Executive Officer in 2017, and slightly above the 75th percentile in total value transferred in 2017. We expect our total value transfer to return to its historical position below the 75th percentile with the issuance of future grants. Management also presents the year-end value of all of our outstanding equity-based awards as shown in the Outstanding Equity Awards at 2017 Fiscal Year End in this Proxy Statement.

These grants to the named executive officers are shown in the Summary Compensation Table and the Grants of Plan-Based Awards Table in this Proxy Statement.

Pensions: We believe that providing a measure of retirement income to our employees, including our named executive officers, is important to our recruitment and retention goals. Accordingly, certain U.S. employees and employees of certain foreign subsidiaries participate in company-sponsored plans. For certain highly compensated employees in the U.S., we provide a non-qualified excess benefit plan which extends the applicable benefit formula in the qualified pension plan to eligible compensation that exceeds the amount allowed by the Internal Revenue Code (Code) to be taken into account under the qualified plan (\$270,000 in 2017). All named executive officers participate in the excess benefit plan. See the discussion accompanying the Pension Benefits Table in this Proxy Statement.

Deferred Compensation: We believe that providing a method for employees, including the named executive officers, to save for retirement on a tax-deferred basis is important to our recruitment and retention goals. Accordingly, substantially all U.S. employees are eligible to participate in the company's 401(k) plan. For certain highly compensated employees, including the named executive officers, we provide a non-qualified deferred compensation plan that enables participants to defer up to 50% of their salary and 100% of their annual incentive until retirement or other specified future date. The plan also provides for employer contributions in certain instances. We pay interest on the deferrals and contributions and provide an enhanced crediting rate if the company meets certain pre-determined financial performance goals. See the discussion accompanying the Nonqualified Deferred Compensation Table in this Proxy Statement.

Perquisites: Historically, perquisites for senior executives have been very limited in scope and value. In 2017, the named executive officers did not receive any perquisites, with the exception of reimbursement for the cost of annual physical exams for executives, in excess of the standard benefits available to our employees generally. The Compensation Committee periodically reviews the types and costs of any perquisites to ensure they remain aligned with our compensation philosophy.

Deductibility of Compensation

Section 162(m) of the Code as in effect for 2017 limited the deductibility for federal income tax purposes of executive compensation paid to the chief executive officer and the three other most highly compensated officers of a public company other than the chief financial officer to \$1,000,000 per year, but contained an exception for

certain performance-based compensation. Grants of stock options and PRSUs under our Stock Incentive Plans and awards under our Management Incentive Plan generally qualified as performance-based compensation under Section 162(m). Base salary and RSUs granted under our Stock Incentive Plan do not by their nature qualify as performance-based compensation under Section 162(m).

The Tax Cuts and Jobs Act of 2017 amended Section 162(m) to cover a public company's chief financial officer and eliminated the performance-based exception, beginning in 2018. Accordingly, the annual incentive awards, stock options and PRSUs granted in 2018 and later years will no longer qualify for this exception which means that starting in 2018, these awards will not be deductible for federal income tax purposes to the extent they cause compensation to exceed \$1,000,000. In addition, compensation paid to a covered employee after termination of employment will also be subject to the million dollar limitation. Under a transition rule, outstanding stock options and PRSUs and post-termination compensation will not be subject to Section 162(m) as amended to the extent such compensation is considered paid pursuant to a binding written contract in effect as of November 2, 2017.

Timing of Awards

Annual cash incentive awards for the most recently completed fiscal year are determined by the Compensation Committee at its regularly scheduled meeting in the first quarter each year, after the financial statements for the recently completed year are finalized and results are publicly reported. These financial statements are necessary to complete the calculation of the amount of awards earned.

Base salaries, annual cash incentive targets and equity-based awards for the current year are also determined at the first quarter meeting, after the Board of Directors has approved the operating budgets for the year, PwC has provided benchmarking data and management has formulated its recommendations.

Equity-based awards are generally granted on March 1 of each year. The Compensation Committee chose March 1 of each year as the grant date in order to reduce the administrative burden of issuing shares on multiple dates each year as previously issued RSUs vested. Under certain limited circumstances, such as in connection with a promotion or new hire, the Compensation Committee will make grants on a date other than March 1. In connection with Mr. Galvin's promotion to President and Chief Operating Officer, the Committee made an additional equity grant of RSUs and PRSUs to him on July 1, 2017. These awards are approved at the meeting as dollar-value awards to each recipient rather than a number of shares, units or options. The number of shares or units to be granted to each recipient is determined by dividing the dollar-value award to each participant as approved by the Compensation Committee, by the closing price of our stock on the grant date or, if not a trading day, the immediately preceding trading day. The number of options to be granted is similarly determined, using their Black-Scholes value on the grant date or, if not a trading day, the immediately preceding trading day. The exercise price of stock options is the closing price of the underlying common stock on the grant date or, if not a trading day, the immediately preceding trading day.

Compensation Related Policies

Stock Ownership Guidelines. To promote the alignment of the interests of directors and senior executives, including the named executive officers, with those of our stockholders, we have established minimum company stock ownership guidelines. Under these guidelines, directors are required to hold stock valued at three times their annual retainer and the Chief Executive Officer is required to hold stock valued at five times his base salary. The Chief Executive Officer sets the minimum company stock ownership guidelines for the other senior executives. The value of shares owned, vested stock options and earned/vested PRSUs and RSUs is used to determine whether the guidelines have been met. The Compensation Committee is responsible for recommending appropriate actions in respect of persons failing to meet the ownership guidelines within five years of those persons becoming subject to the guidelines.

All directors and executives subject to these requirements are either above their ownership requirements or, taking into account the continued vesting of previous and/or anticipated equity-based awards, are expected to achieve their requirement within the prescribed five-year timeframe.

Executives are not subject to minimum holding periods; however, in the event an executive does not meet the company's stock ownership guidelines, the Board may take corrective action including, but not limited to, prohibiting sales of stock until the executive meets the applicable guideline.

Anti-Hedging and Pledging Policy. Our Global Business Ethics and Conduct Policy prohibits hedging against a decline in our share price. Under our Insider Trading Policy, directors and executive officers may not engage in short sales with respect to our securities.

Our Insider Trading Policy was amended in February 2016 to place certain restrictions on pledging of our common stock by directors and executive officers. Under this policy, the aggregate amount of securities pledged by any individual director or executive officer may not exceed 50% of the total amount of common stock beneficially owned by such person in excess of 75,000 shares. As of March 26, 2018, less than 31% of our common shares beneficially owned by our directors and executive officers as a group were eligible to be pledged under our policy and 16% were actually pledged. This excludes 2,203,299 shares of our common stock held by trusts established for the benefit of Sam Zell and his family for which Mr. Zell disclaims beneficial ownership, as described in more detail in footnote 7 to the Security Ownership of Management Table in this Proxy Statement. As disclosed, Mr. Zell does not have voting or dispositive power over the shares of common stock indirectly held by such trusts and accordingly, Mr. Zell has disclaimed beneficial ownership of such shares, except to the extent of any pecuniary interest therein.

Recoupment of Incentive Compensation. Beginning in 2010, all annual incentive and long-term incentive awards to senior executives, including the named executive officers, are expressly conditioned upon our right to recoup a portion or all of any such award granted in respect of any fiscal year for which our financial results are restated.

Consideration of Prior Say-on-Pay Vote

At the 2017 Annual Meeting of Stockholders, the Advisory Vote on Executive Compensation proposal (the say on pay vote) received support from approximately 97% of shares present at the meeting and entitled to vote. The Compensation Committee considered these results and, based on our strategic objectives, our performance, the close alignment of the compensation program with stockholder interests and the overwhelming support of stockholders in 2017, determined not to make any major changes to compensation policies, plans and programs for fiscal 2018. Accordingly, the Compensation Committee has decided to follow the same general policies and procedures described above in setting compensation for 2018.

EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE

This table shows the compensation for the fiscal years ended December 29, 2017, December 30, 2016 and January 1, 2016 of our named executive officers.

| Name and Principal Position | Year | Salary (\$) ⁽¹⁾ | Stock Awards (\$) ⁽²⁾ | Option Awards (\$) ⁽²⁾ | Incentive Plan Compensation (\$) ⁽³⁾ | Nonqualified Deferred Compensation Earnings (\$) ⁽⁴⁾ | Change in Pension Value and Nonqualified Deferred Compensation (\$) ⁽⁵⁾ | All Other Compensation (\$) ⁽⁵⁾ | Total (\$) |
|---|------|-------------------------------|-------------------------------------|--------------------------------------|--|--|---|---|------------|
| | | | | | | | | | |
| Robert J. Eck Chief Executive Officer | 2017 | 1,000,000 | 3,273,224 | 0 | 1,331,250 | 588,951 ⁽⁶⁾ | 10,996 | | 6,204,421 |
| | 2016 | 980,000 | 2,988,837 | 0 | 1,249,911 | 373,831 | 15,394 | | 5,607,973 |
| | 2015 | 970,000 | 2,849,980 | 0 | 895,620 | 8,436 | 15,618 | | 4,739,654 |
| Theodore A. Dosch Executive Vice President Finance | 2017 | 615,000 | 1,218,104 | 0 | 578,875 | 35,735 ⁽⁷⁾ | 9,791 | | 2,457,505 |
| | 2016 | 595,000 | 1,666,287 | 0 | 534,150 | 25,177 | 10,734 | | 2,831,348 |
| | 2015 | 575,000 | 899,977 | 0 | 397,890 | 19,687 | 11,335 | | 1,903,889 |
| William A. Galvin President and Chief Operating Officer | 2017 | 570,000 | 1,772,683 | 0 | 426,468 | 288,257 ⁽⁸⁾ | 9,383 | | 3,066,791 |
| | 2016 | 525,000 | 708,179 | 0 | 418,320 | 165,971 | 11,588 | | 1,829,058 |
| | 2015 | 500,000 | 800,023 | 0 | 354,400 | 7,610 | 10,659 | | 1,672,692 |
| William A. Standish Executive Vice President Operations | 2017 | 470,000 | 485,002 | 0 | 379,050 | 379,179 ⁽⁹⁾ | 8,616 | | 1,721,847 |
| | 2016 | 455,000 | 484,992 | 0 | 360,620 | 243,062 | 10,080 | | 1,553,754 |
| | 2015 | 445,000 | 474,997 | 0 | 325,970 | 25,297 | 10,135 | | 1,281,399 |
| Robert M. Graham Executive Vice President Electrical & Electronic Solutions | 2017 | 420,000 | 609,051 | 0 | 371,700 | 99,155 ⁽¹⁰⁾ | 7,599 | | 1,507,505 |

(1) The amounts in this column reflect salary earned by each named executive officer for the applicable year. 2017 annual salary increases were effective January 1, 2017. Mr. Galvin also received a promotional salary rate increase on July 1.

(2) The amounts in these columns represent the grant date fair value, computed in accordance with FASB ASC Topic 718, of the restricted stock unit awards and option awards granted to the named executive officers for each fiscal year shown. Prior to 2016, the annual restricted stock unit awards consist only of time-based restricted stock units

(RSUs). In 2016 and 2017, the annual awards consist of a combination of RSUs and performance-based restricted stock units (PRSUs) for each of our named executive officers, other than Mr. Standish who received only RSUs. Mr. Galvin's RSU and PRSU awards include the annual grant made on March 1, 2017 and an additional grant made on July 1, 2017 in connection with his promotion to President and Chief Operating Officer. For an explanation of assumptions used in valuing the awards, see Note 10 to the Consolidated Financial Statements contained in our 2015 Form 10-K, 2016 Form 10-K and 2017 Form 10-K. Stock options have not been granted since 2013.

The value of the PRSUs is based upon the probable outcome of the performance conditions. The grant date fair value of the PRSUs in 2017, assuming the performance conditions were met at the maximum level, was:

| Name | Maximum Value of PRSU Awards (\$) |
|-------------------|--|
| Robert J. Eck | 2,509,821 |
| Theodore A. Dosch | 621,168 |
| William A. Galvin | 850,034 |
| Robert M. Graham | 310,583 |

- (3) The amounts in this column reflect the cash incentive payments we awarded under the Management Incentive Plan to each named executive officer for the fiscal years shown.
- (4) Amounts shown in this column include the annual change for the fiscal year in the actuarial present value of each executive's accumulated benefit under all company defined benefit plans. See Note 9 to the Consolidated Financial Statements contained in our 2017 Form 10-K. This column also includes above market earnings on deferred compensation in 2015, 2016 and 2017.
- (5) For components of the amounts in this column, see the 2017 All Other Compensation table below.
- (6) Reflects the above market earnings on deferred compensation of \$13,559. The actuarial present value of the accumulated benefit under all company defined benefit plans increased by \$575,392.
- (7) Reflects the above market earnings on deferred compensation of \$4,700. The actuarial present value of the accumulated benefit under all company defined benefit plans increased by \$31,035.
- (8) Reflects the above market earnings on deferred compensation of \$12,230. The actuarial present value of the accumulated benefit under all company defined benefit plans increased by \$276,027.
- (9) Reflects the above market earnings on deferred compensation of \$40,658. The actuarial present value of the accumulated benefit under all company defined benefit plans increased by \$338,521.
- (10) Reflects the above market earnings on deferred compensation of \$20,157. The actuarial present value of the accumulated benefit under all company defined benefit plans increased by \$78,998.

2017 All Other Compensation

| Name | Company Contributions to 401(k) Plan (\$) | Interest on Dividend Equivalents (\$) ⁽¹⁾ |
|---------------------|--|---|
| Robert J. Eck | 7,234 | 3,762 |
| Theodore A. Dosch | 8,640 | 1,151 |
| William A. Galvin | 7,234 | 2,149 |
| William A. Standish | 7,234 | 1,382 |
| Robert M. Graham | 6,985 | 614 |

- (1) These amounts reflect interest on dividend equivalents credited to stock units that was paid to the executive when the stock units vested.

Employment Agreements

We have no employment agreements with any of our named executive officers covering the terms of their employment.

2017 GRANTS OF PLAN-BASED AWARDS

This table provides information concerning each grant of an award made in 2017 to the named executive officers under any plan.

| Name | Grant Date | Committee Approval Date ⁽¹⁾ | Estimated Possible Payouts under Non-Equity Incentive Plan Awards ⁽²⁾ | | | Estimated Future Payouts under Equity Incentive Plan Awards ⁽³⁾ | | | All Other Stock Awards: Number of Shares of Stock or Units ⁽⁴⁾ | Grant Date Fair Value of Stock and Option Awards (\$) ⁽⁵⁾ |
|----------------------------------|------------|--|--|-------------|--------------|--|-------------|--------|---|---|
| | | | Threshold (\$) | Target (\$) | Maximum (\$) | Target (#) | Maximum (#) | | | |
| Robert J. Eck | | | 312,500 | 1,250,000 | 1,875,000 | | | | | |
| | 3/1/17 | 2/23/17 | | | | 9,330 | 18,659 | 27,989 | | 1,673,214 |
| | 3/1/17 | 2/23/17 | | | | | | | 18,659 | 1,600,009 |
| Theodore A. Dosch | | | 137,500 | 550,000 | 825,000 | | | | | |
| | 3/1/17 | 2/23/17 | | | | 2,309 | 4,618 | 6,927 | | 414,112 |
| | 3/1/17 | 2/23/17 | | | | | | | 9,376 | 803,992 |
| William A. Galvin ⁽⁶⁾ | | | 116,875 | 467,500 | 701,250 | | | | | |
| | 3/1/17 | 2/23/17 | | | | 1,732 | 3,464 | 5,196 | | 310,628 |
| | 3/1/17 | 2/23/17 | | | | | | | 7,032 | 602,994 |
| | 7/1/17 | 5/25/17 | | | | 1,899 | 3,798 | 5,697 | | 256,061 |
| | 7/1/17 | 5/25/17 | | | | | | | 7,711 | 603,000 |
| William A. Standish | | | 95,000 | 380,000 | 570,000 | | | | | |
| | 3/1/17 | 2/23/17 | | | | 0 | 0 | 0 | | 0 |
| | 3/1/17 | 2/23/17 | | | | | | | 5,656 | 485,002 |
| Robert M. Graham | | | 87,500 | 350,000 | 525,000 | | | | | |
| | 3/1/17 | 2/23/17 | | | | 1,155 | 2,309 | 3,464 | | 207,055 |
| | 3/1/17 | 2/23/17 | | | | | | | 4,688 | 401,996 |

(1) The Compensation Committee generally approves equity awards at its February meeting to be granted on the following March 1. Equity-based awards are generally granted on March 1 of each year. The Compensation Committee chose March 1 of each year as the grant date in order to reduce the administrative burden of issuing shares on multiple dates each year as previously issued RSUs vested.

(2) Payouts under the Management Incentive Plan were based on performance in 2017, which has now occurred. Thus, the amounts shown in the Threshold, Target and Maximum columns reflect the range of potential payouts when the performance goals were set earlier in 2017. Actual amounts paid under the Management Incentive Plan

for 2017 are reflected in the Summary Compensation Table of this Proxy Statement as Non-Equity Incentive Plan Compensation.

- (3) The information in these columns shows the range of PRSUs that could be earned by the named executive officers under our Stock Incentive Plan. The actual number of PRSUs granted under the Stock Incentive Plan is listed in the Target column above. The payout of PRSUs can range from 50% of target threshold to a maximum of 150% of target depending on the level of achievement of the applicable performance goals for each performance cycle in the three-year performance period. See RSUs/PRSUs in this section for detailed discussion of PRSU awards.
- (4) RSUs generally vest in 1/3 increments during employment beginning on the second anniversary of the March 1, 2017 grant date, except for Mr. Standish's RSU grant which ~~is that~~ vests in 1/3 increments during employment beginning on the first anniversary of the March 1, 2017 grant date.
- (5) Calculated in accordance with FASB ASC Topic 718. RSUs were valued at \$85.75 and \$78.20 per unit, which was the closing price of the underlying common stock on March 1, 2017 and June 30, 2017, respectively. The value of the PRSUs is based upon the probable outcome of the performance conditions using the Monte Carlo pricing model.
- (6) Mr. Galvin received a second equity grant on July 1, 2017, in the form of RSUs and PRSUs, in conjunction with his promotion to President and Chief Operating Officer.

Management Incentive Plan

For 2017, the Compensation Committee approved annual incentive awards composed of three components: operating profit, return on tangible capital and individual objectives. The Compensation Committee set a target incentive amount for each named executive officer ranging from 82% to 125% of base salary. The actual payout for each component of the annual incentive award can range from zero to 150% of the target incentive opportunity for each component. For each component, a pro rata percentage is earned for performance between the threshold and the target and for performance between the target and the maximum.

A significant portion of each named executive officer's incentive opportunity (75%) was based on the two financial components, determined on a worldwide and/or business segment basis. Each year, the Compensation Committee sets operating profit target, threshold and maximum amounts. If the company reaches the threshold operating profit amount, the executive is eligible for a threshold payment of 25% of the operating profit component of the incentive award, with pro rata increases in payout as operating profit reaches the target amount. Exceeding the operating profit target amount will result in payments above the target incentive award amount, up to a maximum of 150%. Similarly, the Compensation Committee sets yearly return on tangible capital target, threshold and maximum amounts. At the threshold return on tangible capital amount, the executive receives 25% of the return on tangible capital component of the incentive award, with pro rata increases in payout as return on tangible capital reaches the target amount. Exceeding the target return on tangible capital amount will result in payments above the target incentive award amount up to a maximum of 150%. The remaining portion of the annual incentive opportunity is based on achievement of individual objectives, which for the other named executive officers is determined subjectively by the Chief Executive Officer or, in the case of the Chief Executive Officer, by the Chairman of the Board in consultation with the Chairman of the Compensation Committee for review and approval by the Compensation Committee.

See "Annual Incentive Awards" in the Compensation Discussion and Analysis section of this Proxy Statement for a more detailed discussion of the Management Incentive Plan.

RSUs/PRSUs

For 2017, RSUs and PRSUs were granted under the company's 2010 Stock Incentive Plan for March 1 grants and under the company's 2017 Stock Incentive Plan for Mr. Galvin's July 1 grant. Commencing in 2016, we adopted PRSUs as part of our long-term incentive program to our named executive officers, and a combination of RSUs and PRSUs were issued to all but one of the named executive officers. While we believe the previous compensation structure was appropriately responsive to the actual performance of the business, we believe the adoption of PRSUs as part of our equity-based awards further enhances the performance sensitivity of the compensation of our senior executives.

Generally, one-third of the RSUs vest during employment on each anniversary of the grant date beginning with the second anniversary of the grant date, or in limited cases (including Mr. Standish), beginning with the first anniversary of the grant date. Holders of RSUs have the right to receive dividend equivalents (plus interest thereon), which are credited at the time dividends are paid and are held by the company until the units vest.

PRSUs vest based on relative total stockholder returns compared to the S&P MidCap 400® Index. PRSUs are subject to a three-year performance period beginning on January 1 of the grant year and ending on December 31 of the third year. Each three-year performance period contains three performance cycles, each relating to one third of the total award. The three performance cycles within the performance period consist of separate tranches of 12 months, 24 months and 36 months, beginning January 1 of the year of grant. One-third of the PRSUs are earned on each anniversary of the date of grant if the participant remains in continuous employment with the company through such anniversary. The earned PRSUs are adjusted after the end of each performance period based on the level of achievement of the performance goal for each performance cycle in the performance period. Holders of PRSUs have

the right to receive dividend equivalents (plus interest thereon), which are credited at the time dividends are paid and are held by the company until the units vest.

Stock Options

No stock options have been granted since 2013.

OUTSTANDING EQUITY AWARDS AT 2017 FISCAL YEAR-END

This table sets forth information for each named executive officer with respect to (1) each grant of stock options outstanding as of December 29, 2017 and (2) each outstanding restricted stock unit that has not vested as of December 29, 2017.

| Name | Option Awards ⁽¹⁾ | | | | Stock Awards | | | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not |
|-------------------|---|---|----------------------------|---------------------------------------|--|---|--|--|
| | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Option Exercise Price (\$) | Option Expiration Date ⁽²⁾ | Number of Shares or Units of Stock That Have Not Vested (#) ⁽³⁾ | Market Value of Shares or Units of Stock that Have Not Vested (\$) ⁽⁴⁾ | Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) ⁽⁵⁾ | |
| Robert J. Eck | | | | | 97,247 | 7,390,772 | 49,282 | 3,745,432 |
| | 174 ⁽⁷⁾ | 0 | 54.08 | 03/01/2018 | | | | |
| | 10,612 ⁽⁷⁾ | 0 | 49.80 | 07/01/2018 | | | | |
| | 73,306 ⁽⁷⁾ | 0 | 24.33 | 03/01/2019 | | | | |
| | 70,706 ⁽⁷⁾ | 0 | 35.33 | 03/01/2020 | | | | |
| | 45,352 ⁽⁷⁾ | 0 | 61.74 | 03/01/2021 | | | | |
| | 48,540 ⁽⁷⁾ | 0 | 61.19 | 03/01/2022 | | | | |
| | 45,450 ⁽⁷⁾ | 0 | 64.75 | 03/01/2023 | | | | |
| Theodore A. Dosch | | | | | 50,250 | 3,819,000 | 14,723 | 1,118,948 |
| | 10,605 ⁽⁷⁾ | 0 | 35.33 | 03/01/2020 | | | | |
| | 9,860 ⁽⁷⁾ | 0 | 61.74 | 03/01/2021 | | | | |
| | 10,648 ⁽⁷⁾ | 0 | 58.28 | 07/01/2021 | | | | |
| | 14,157 ⁽⁷⁾ | 0 | 61.19 | 03/01/2022 | | | | |

Edgar Filing: ANIXTER INTERNATIONAL INC - Form DEF 14A

| | | | | | | | | | |
|---------------------|-----------------------|---|-------|------------|--------|-----------|--------|---------|--|
| | 13,914 ⁽⁷⁾ | 0 | 64.75 | 03/01/2023 | | | | | |
| William A. Galvin | | | | | 36,843 | 2,800,068 | 11,557 | 878,332 | |
| | 10,405 ⁽⁷⁾ | 0 | 24.33 | 03/01/2019 | | | | | |
| | 22,979 ⁽⁷⁾ | 0 | 35.33 | 03/01/2020 | | | | | |
| | 12,817 ⁽⁷⁾ | 0 | 61.74 | 03/01/2021 | | | | | |
| William A. Standish | | | | | 16,569 | 1,259,244 | 0 | 0 | |
| Robert M. Graham | | | | | 16,754 | 1,273,304 | 4,836 | 367,536 | |

- (1) In accordance with the anti-dilution provisions of our Stock Incentive Plans, this table reflects the adjustment to the number of outstanding options and the exercise prices to reflect the special cash dividends declared on September 23, 2010, April 24, 2012 and November 25, 2013.
- (2) Each option was granted 10 years prior to the expiration date shown in this column.
- (3) RSUs generally vest during employment in 1/3 increments beginning on the second anniversary of each grant date, except for Mr. Standish's RSUs granted on March 1, 2015, March 1, 2016 and March 1, 2017 which vest in 1/3 increments beginning on the first anniversary of the grant date. Unvested awards are generally forfeited upon termination of employment for any reason and fully vest on a change in control. The unvested RSUs for the named executive officers will vest as follows:

| Name | 3/1/2018 | 3/6/2018 | 7/1/2018 | 3/1/2019 | 7/1/2019 | 3/1/2020 | 7/1/2020 | 3/1/2021 | 7/1/2021 |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Robert J. Eck | 27,354 | 8,569 | 0 | 33,573 | 0 | 21,531 | 0 | 6,220 | 0 |
| Theodore A. Dosch | 14,061 | 2,493 | 0 | 17,186 | 0 | 13,385 | 0 | 3,125 | 0 |
| William A. Galvin | 7,741 | 2,259 | 0 | 10,084 | 2,570 | 6,704 | 2,571 | 2,344 | 2,570 |
| William A. Standish | 7,605 | 1,480 | 0 | 5,599 | 0 | 1,885 | 0 | 0 | 0 |
| Robert M. Graham | 3,410 | 623 | 1,029 | 4,972 | 1,030 | 4,127 | 0 | 1,563 | 0 |

- (4) Represents the value of shares of common stock covered by the RSUs using \$76.00 which was the closing price of our common stock on December 29, 2017.
- (5) This column shows the number of unearned PRSUs at the target level held by the named executive officers at the end of 2017. The following schedule shows the dates on which these units would be earned:

| Name | 3/1/2018 | 7/1/2018 | 3/1/2019 | 7/1/2019 | 3/1/2020 | 7/1/2020 |
|-------------------|----------|----------|----------|----------|----------|----------|
| Robert J. Eck | 21,531 | 0 | 21,531 | 0 | 6,220 | 0 |
| Theodore A. Dosch | 6,591 | 0 | 6,593 | 0 | 1,539 | 0 |
| William A. Galvin | 3,303 | 1,266 | 3,301 | 1,266 | 1,155 | 1,266 |
| Robert M. Graham | 2,034 | 0 | 2,032 | 0 | 770 | 0 |

- (6) This column shows the market value of the unearned PRSUs at the target level held by the named executive officers based on a price of \$76.00 per share (the closing price of the common stock on December 29, 2017).
- (7) These stock options vested in 1/3 increments beginning on the second anniversary of the grant date.

2017 OPTION EXERCISES AND STOCK VESTED

This table sets forth information relating to (1) the exercise of stock options during fiscal 2017 by each named executive officer, (2) the dollar amount realized upon such exercise, (3) the number of RSUs and PRSUs held by each named executive officer that vested or were earned during fiscal 2017 and (4) the value of those vested units.

| Name | Option Awards | | Stock Awards | |
|---------------------|---|--|--|---|
| | Number of Shares Acquired on Exercise (#) | Value Realized on Exercise (\$) ⁽¹⁾ | Number of Shares Acquired on Vesting (#) | Value Realized on Vesting (\$) ⁽²⁾ |
| Robert J. Eck | 53,195 | 1,195,070 | 47,692 | 4,052,458 |
| Theodore A. Dosch | 0 | 0 | 15,090 | 1,283,258 |
| William A. Galvin | 0 | 0 | 12,002 | 1,019,336 |
| William A. Standish | 11,758 | 270,232 | 9,385 | 798,438 |
| Robert M. Graham | 0 | 0 | 5,213 | 436,588 |

- (1) The amount represents the difference between the exercise price and the price at which the shares acquired upon exercise were sold.
- (2) Represents the value of our common stock on the vesting date. This value equals the number of shares acquired on the vesting date multiplied by either the average of the high and low prices of our stock on the NYSE on such date, if the vesting date is a trading day, or the previous trading day's closing price of our stock on the NYSE, if the vesting date is not a trading day. This amount includes the PRSUs that were earned as of March 1, 2017, but which will not be settled or distributed until March 1, 2019, based on the three-year performance period ending

Edgar Filing: ANIXTER INTERNATIONAL INC - Form DEF 14A

December 31, 2018: Mr. Eck: \$1,813,568 (21,131 PRSUs); Mr. Dosch: \$598,458 (6,973 PRSUs); Mr. Galvin: \$254,299 (2,963 PRSUs) and Mr. Graham \$149,593 (1,743 PRSUs). Mr. Standish had not been granted PRSUs.

-35-

2017 PENSION BENEFITS

We provide defined pension benefits under our Pension Plan and our Excess Benefit Plan. This table shows (1) the years of service credited to each named executive officer under each plan in which the named executive officer is entitled to benefits and (2) the present value of the accumulated benefit payable under each such plan to each named executive officer upon retirement at age 65.

| Name | Plan Name | Number of Years Credited Service (#) ⁽¹⁾ | Present Value of Accumulated Benefit (\$) ⁽²⁾ | Payments During Last Fiscal Year (\$) |
|---------------------|----------------------------------|--|---|--|
| Robert J. Eck | Anixter Inc. Pension Plan | 28.00 | 2,322,147 | 0 |
| | Anixter Inc. Excess Benefit Plan | 28.00 | 2,531,860 | 0 |
| Theodore A. Dosch | Anixter Inc. Pension Plan | 8.95 | 65,468 | 0 |
| | Anixter Inc. Excess Benefit Plan | 8.95 | 58,991 | 0 |
| William A. Galvin | Anixter Inc. Pension Plan | 30.42 | 1,889,326 | 0 |
| | Anixter Inc. Excess Benefit Plan | 30.42 | 42,239 | 0 |
| William A. Standish | Anixter Inc. Pension Plan | 34.00 | 2,728,651 | 0 |
| | Anixter Inc. Excess Benefit Plan | 34.00 | 600,992 | 0 |
| Robert M. Graham | Anixter Inc. Pension Plan | 15.00 | 436,094 | 0 |
| | Anixter Inc. Excess Benefit Plan | 15.00 | 14,260 | 0 |

(1) The number of years of service credited to the named executive officer under the specified plan, computed as of December 29, 2017, which is the same measurement date used for financial statement reporting purposes in our 2017 Form 10-K. Credited service was based on hours worked through July 31, 2006 and an elapsed time method from August 1, 2006 forward. No credit is given for years not worked.

(2) The actuarial present value of the named executive officer's accumulated benefits under the applicable plan, computed as of the same December 29, 2017 measurement date used for financial statement reporting purposes in our 2017 Form 10-K.

Pension Plan and Excess Benefit Plan

Pension Plan

Our Pension Plan is a tax-qualified retirement plan covering all U.S. employees, excluding any person subject to a collective bargaining agreement which does not provide for coverage under the Pension Plan. The Pension Plan

benefit consists of two components: (i) until December 31, 2013, a Grandfathered Benefit for employees hired prior to June 1, 2004 and (ii) a PRA Benefit for all employees hired on or after June 1, 2004 and beginning January 1, 2014, for all employees. The Pension Plan was closed to new hires or rehires as of July 1, 2015.

Grandfathered Benefit. The Grandfathered Benefit provides a monthly amount equal to a participant's years of continuous service through December 31, 2013 (not to exceed 30) multiplied by the sum of 0.65% of the portion of the participant's Final Average Pay that is less than or equal to 1/12 of the participant's Covered Compensation (an amount specified by Social Security based on year of birth), plus 1.3% of the portion of the participant's Final Average Pay in excess of 1/12 of the participant's Covered Compensation. Final Average Pay means the highest average monthly salary and bonus (including, but not limited to, overtime, commissions, performance-based bonuses, employee referral bonuses, and amounts deferred under a nonqualified deferred compensation plan or under Code Sections 125, 401(k), and 132 plans) paid during the 60-consecutive calendar month period occurring within the 120 consecutive calendar months of service ending with the earlier of December 31, 2013 or the participant's final completed calendar month of service, taking into account the applicable Code limits. For certain participants the Grandfathered Benefit had been periodically increased by a fixed amount, not exceeding the applicable IRS limit, which resulted in a corresponding decrease in the Excess Benefit Plan benefit.

Participants hired before June 1, 2004 are eligible to receive a Grandfathered Benefit after completing five years of service. The normal retirement age is 65. After attaining age 55, participants may retire and elect to receive early payment, although the amounts are actuarially reduced to reflect the longer payment period. Any participant who terminates employment prior to age 55 but has five years of service is eligible for a deferred vested benefit beginning at age 65 (or age 55 subject to an actuarial reduction). Participants may elect to receive the Grandfathered Benefit from the Pension Plan in a single life annuity, 10-year certain annuity, joint and survivor annuity or joint and contingent annuity. A lump sum payment is also available if the value of the benefit is under \$10,000. Messrs. Eck, Galvin and Standish are 55 or older and thus eligible for early retirement payments with respect to the Grandfathered Benefit. Because Mr. Dosch was hired after June 1, 2004, he did not accrue a Grandfathered Benefit.

PRA Benefit. For the PRA Benefit, each participant has a Personal Retirement Account, which is a notional account that receives an annual pay credit equal to 2.0% of salary (up to the applicable Code limits) for each plan year in which the participant's years of continuous service are fewer than five and 2.5% of salary (up to the applicable Code limits) for each plan year in which the participant's years of continuous service are five or greater. Salary for this purpose includes amounts deferred under a nonqualified deferred compensation plan or under Code Sections 125, 401(k), and 132 plans. Participants also receive an annual company contribution under the Employee Savings Plan (a tax-qualified 401(k) plan) equal to their Personal Retirement Account balance multiplied by the 10-year Treasury rate. For certain participants, the PRA Benefit is periodically increased by a fixed amount, not exceeding the applicable IRS limit, which results in a corresponding decrease in the Excess Benefit Plan benefit.

Participants may retire at any age after completing three years of service and receive their PRA Benefit. Participants may elect to receive the PRA Benefit in an actuarially equivalent single life annuity, joint and survivor annuity or lump sum. All named executive officers currently accrue a PRA Benefit. Messrs. Eck, Galvin, Standish and Graham have accrued a PRA Benefit since January 1, 2014 and Mr. Dosch has accrued a PRA Benefit since his date of hire.

Excess Benefit Plan

The Excess Benefit Plan is available to U.S. employees who are recommended by the Chief Executive Officer and approved by the Compensation Committee. The purpose of the Excess Benefit Plan is to provide those eligible participants with a retirement benefit that recognizes the participant's full salary and bonus, without regard to Code limits. It utilizes the same benefit formulas in the Pension Plan, except that the formula is applied to the portion of the salary as well as bonus that cannot be taken into account under the Pension Plan due to Code limits (the PRA Benefit under the Pension Plan is based only on salary and excludes bonuses). The Grandfathered Benefit under the Excess Benefit Plan was frozen as of December 31, 2013 and all Excess Benefit Plan participants participate in the Personal Retirement Account as of January 1, 2014. This Plan was closed to new hires or rehires as of July 1, 2015. The Personal Retirement Account is credited with an annual pay credit of 2.0% of salary and bonus for each plan year after 2010 in which the participant's years of continuous service are fewer than five or 2.5% of salary and bonus for each plan year after 2010 in which the participant's years of continuous service are five or greater, less the annual amount credited to the Pension Plan Personal Retirement Account. The Personal Retirement Account grows with interest based on current 10-year Treasury rates.

Participants who terminate employment with five years of service will receive their Grandfathered Benefit under the Excess Plan in a single life annuity (if the participant does not have a beneficiary) or a joint and survivor annuity (if the participant has a beneficiary), provided that if the total Excess Plan Benefit (including both the Grandfathered Benefit and the PRA Benefit) is less than the limit under 402(g) of the Code (\$18,000 for 2017), the total Excess Plan Benefit will be paid in a lump sum. The Grandfathered Benefit is payable at the date of termination if the participant is age 55 or older, however, in the case of a participant who is one of the 50 highest paid employees of the company, benefits will not be paid until six months following termination. If the participant's termination of employment occurs prior to age 55, benefits will be paid upon attainment of age 65. Messrs. Eck and Standish are the only named executive officers with a Grandfathered Benefit, and because they are 55 or older, their Grandfathered Benefit will

commence six months following termination of employment. Participants who terminate with three years of service will receive the PRA Benefit under the Excess Benefit Plan in a lump sum six months following termination.

Assumptions

The assumptions used in calculating the present value of the projected accumulated benefits under the Pension Plan and Excess Benefit Plan are set forth in Note 9 to the company's Consolidated Financial Statements contained in our 2017 Form 10-K.

2017 NONQUALIFIED DEFERRED COMPENSATION

This table shows information regarding each named executive officer's benefit under our Deferred Compensation Plan.

| Name | Executive Contributions in Last FY (\$) ⁽¹⁾ | Registrant Contributions in Last FY (\$) | Aggregate Earnings in Last FY (\$) ⁽²⁾ | Aggregate Withdrawals/ Distributions (\$) | Aggregate Balance at Last FYE (\$) ⁽³⁾ |
|---------------------|--|--|---|---|---|
| Robert J. Eck | 0 | 0 | 52,063 | 0 | 1,241,414 |
| Theodore A. Dosch | 51,000 | 0 | 17,866 | 0 | 442,059 |
| William A. Galvin | 0 | 0 | 46,960 | 0 | 1,119,734 |
| William A. Standish | 0 | 0 | 156,116 | 0 | 3,722,517 |
| Robert M. Graham | 40,219 | 0 | 77,188 | 0 | 1,845,377 |

- (1) These amounts are reflected in the Summary Compensation Table in this Proxy Statement, as Salary or Non-Equity Incentive Plan Compensation.
- (2) The following amounts are reflected as above market earnings in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column of the Summary Compensation Table: Mr. Eck: \$13,559; Mr. Dosch: \$4,700; Mr. Galvin: \$12,230; Mr. Standish: \$40,658; and Mr. Graham: \$20,157. The remaining amounts are market earnings that are not reported in the Summary Compensation Table.
- (3) The following amounts have been reported as compensation in this or prior years Summary Compensation Tables: Mr. Eck: \$400,677; Mr. Dosch: \$390,768; Mr. Galvin: \$323,938; Mr. Standish: \$305,843; and Mr. Graham: \$60,376. The remaining amounts are market earnings that are not reported in the Summary Compensation Table.

Selected employees are eligible to participate in our Deferred Compensation Plan. Under this plan, participants may defer up to 50% of base salary and up to 100% of annual non-equity incentive. Elections are made annually, prior to the beginning of the calendar year for which the election is effective. Once made, deferral elections are irrevocable for the year. Deferred amounts are credited to an account established for each participant. If the participant makes the maximum permissible elective deferrals under our tax-qualified Employee Savings Plan, we also provide the portion of the matching contribution, if any, that could not be made under the Employee Savings Plan as a result of the deferrals made under the Deferred Compensation Plan. No named executive officers received a matching contribution under the Deferred Compensation Plan for 2017.

Interest is credited at the end of each month and accrues on the average daily balance of the account at 140% of the three-month average of the previous quarter's 10-year Treasury Note rate. This rate was designed to approximate our long-term borrowing rate. For 2017, the average crediting rate was 4.38%. Active participants are eligible to receive

an enhanced crediting rate of up to one-half percentage point per quarter if we meet or exceed certain quarterly performance goals. The enhanced crediting rate is credited at the end of each eligible calendar quarter. Participants must be employed for at least one-half the quarter to be eligible for this enhanced rate. In 2017, enhanced crediting was paid for three quarters.

All deferrals must remain in the Deferred Compensation Plan for at least five years from the deferral date, except for terminations due to retirement at or after age 55, disability or death. At the time they make their deferral election, participants also elect the form and time of distribution. Retirement and disability payment options are: lump sum, monthly installments or a combination of lump sum and monthly installments. For pre-2005 deferrals, the number of monthly installments may not exceed 120. For post-2004 deferrals, the number of monthly installments may not exceed 180. For all other terminations, excluding death, participants receive a

lump sum on the first of the calendar year two years following employment termination, provided deferrals have been in the plan for five years. Pre-2005 deferrals are eligible for an accelerated distribution at any time, subject to a 10% penalty. Post-2004 deferrals have no such accelerated distribution allowance. A participant may receive early distribution without penalty by providing evidence of severe financial hardship as defined by the plan and IRS. In the event of termination due to the participant's death, the beneficiary receives a lump sum distribution if the participant is under age 55, or in the form the participant had elected for retirement benefits if age 55 or older.

Employees may change their elections with respect to the form and timing of distributions. Such changes must be made at least two calendar years prior to the current distribution date for pre-2005 deferrals. For post-2004 deferrals, such changes must be made at least 12 months prior to the date any amount is distributable, provided that any change must defer the distribution for at least five years beyond the date the payment would otherwise have been made or begun.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

The company provides certain benefits to eligible employees, including the named executive officers, upon a Change in Control of the company and/or certain terminations of employment following a Change in Control. These benefits are in addition to the benefits to which the executive would be entitled upon a termination of employment generally (i.e., vested retirement benefits accrued as of the date of termination and the right to elect continued health coverage pursuant to COBRA).

Change in Control Severance Agreements

On September 4, 2014, the company entered into a Change in Control Severance Agreement (the "Severance Agreements") with the company's named executive officers and certain key executives, including Messrs. Eck, Dosch, Galvin and Standish, and with Mr. Graham on November 19, 2015. Mr. Galvin's Severance Agreement was revised on July 1, 2017 in conjunction with his promotion to President and Chief Operating Officer.

The Severance Agreements are so-called "double trigger" agreements, and benefits are available only upon a qualifying termination following a Change in Control. Accordingly, each Severance Agreement provides that, subject to the company receiving a general release of claims from the executive, in the event the executive's employment is terminated by the company without "Cause"; by the executive for "Good Reason"; due to the executive's death; or due to the executive's "Disability", in each case within 18 months following a Change in Control, the executive will be entitled to the following: (1) a lump-sum cash payment equal to a multiple (2.0 times for Messrs. Eck, Dosch and Galvin and 1.5 times for Messrs. Standish and Graham) of the sum of (a) the executive's annual base salary as in effect immediately prior to the executive's termination date (or the date of the Change in Control, if greater), and (b) the executive's target annual bonus for the year in which the executive was terminated (or the year in which the Change in Control occurred, if greater); (2) an amount equal to the pro-rated target annual bonus for actual days of service for the year of termination; (3) continued health coverage for a period of 24 months (for Messrs. Eck, Dosch and Galvin) and 18 months (for Messrs. Standish and Graham), at the same premium cost as in effect immediately prior to the executive's termination date; and (4) a lump sum cash payment of up to \$15,000, intended to reimburse the executive for fees incurred with respect to outplacement services. With respect to any Section 280G excise tax, each executive will receive severance benefits that are reduced to the amount that can be paid without triggering the excise tax, but only if such reduced amount would be greater than the net after-tax proceeds (taking into account both the excise tax and any interest or penalties payable by the executive with respect thereto) of the unreduced severance payments.

In addition, the Severance Agreement provides that the executive will be entitled to the severance amounts listed above in items (1) through (4) if the executive's employment is terminated by the company without Cause at the direction or request of any person or group contemplating a Change in Control, and a Change in Control in fact occurs within 12 months of the direction or request to terminate.

The Severance Agreement contains a restrictive covenant that prohibits the executive from competing with the company and soliciting the company's employees for 24 months (for Messrs. Eck, Dosch and Galvin) or 18

months (for Messrs. Standish and Graham) following termination of employment. An amount of severance equal to the salary and target bonus payable for the applicable duration of the restrictive covenant serves as consideration for the restrictive covenant.

Change in Control means the following: (1) any Person (as defined in the Severance Agreement) acquiring a beneficial ownership of 50% or more of the combined voting power of the then outstanding securities of the company entitled to vote generally in the election of directors (the Outstanding Voting Securities); but excluding (i) any acquisition directly from the company, (ii) any acquisition by the company or (iii) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the company or any corporation controlled by the company; (2) individuals who, as of the effective date of the agreement, constitute the Board (the Incumbent Board) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual who becomes a director of the company subsequent to the Effective Date whose election, or nomination for election by the company's stockholders, was approved by the vote of at least a majority of the directors then comprising the Incumbent Board will be deemed to have been a member of the Incumbent Board; and provided further, that no individual who was initially elected as a director of the company as a result of an actual or threatened solicitation by a Person other than the Board for the purpose of opposing a solicitation by any other Person with respect to the election or removal of directors or any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board will be deemed to have been a member of the Incumbent Board; (3) any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person) assets from the company that have a total Gross Fair Market Value (as defined in the Severance Agreement) equal to or more than 51% of the total Gross Fair Market Value of all of the company immediately before such acquisition or acquisitions; or (4) there is consummated a reorganization, merger or consolidation or similar form of corporate transaction involving the company that requires the approval of the company's stockholders, whether for such transaction or the issuance of securities in the transaction (a Business Combination), that results in the Outstanding Voting Securities immediately prior thereto representing (either by remaining outstanding or by being converted into voting securities of the surviving entity) less than 50% of the combined voting power of the voting securities of the company or such surviving entity outstanding immediately after such Business Combination.

Cause means (i) the executive's willful and continued failure to substantially perform the executive's employment duties in any material respect (other than such failure resulting from physical or mental incapacity), subject to notice and cure; (ii) the Compensation Committee's determination, in good faith, that the executive has engaged, during the performance of his or her duties, in significant objective acts or omissions constituting willful misconduct or gross negligence relating to the business of the company that are demonstrably and materially injurious to the company or (iii) a plea of guilty or *nolo contendere* by the executive, or conviction of the executive, for a felony under federal or state law.

Disability means the inability of the executive to perform the essential functions of the executive's position, as required, with or without reasonable accommodation, due to a physical or mental incapacity or disability lasting for a continuous period of 120 days or any 180 days within any 12-month period.

Good Reason means the occurrence of any of the following events: (1) a material diminution in authority, duties or responsibilities; (2) a material reduction in annual base salary; (3) a material reduction in the target bonus opportunities, long-term incentive opportunities and employee benefits, taken in the aggregate; (4) any requirement of the company that the executive be based more than 50 miles from the facility where the executive is based immediately before the Change in Control; or (5) the failure of the company to obtain an assumption agreement for the Severance Agreement, in each case subject to notice and cure, and prompt termination following such event.

Stock Incentive Plans

The Anixter International Inc. 2006 Stock Incentive Plan, 2010 Stock Incentive Plan and 2017 Stock Incentive Plan (the Stock Incentive Plans), provide for single trigger vesting and exercisability upon a Change in Control, as defined above; accordingly, upon a Change in Control, all awards granted pursuant to the Stock Incentive Plans that are outstanding as of the date immediately prior to the Change in Control shall

automatically and fully vest and become exercisable, and performance goals will be deemed satisfied at target for purposes of determining the vesting level of then unearned performance-based awards.

2017 Potential Payments

The tables set forth below quantify the additional benefits as described above that would be paid to each named executive officer, assuming a Change in Control or a qualifying termination of employment following a Change in Control occurred at the company's 2017 fiscal year-end, which is December 29, 2017.

Qualifying Termination Following a Change in Control

| Name | Salary (\$) ⁽¹⁾ | Bonus (\$) ⁽²⁾ | Health Continuation (\$) ⁽³⁾ | Lump Sum Reimbursement for Outplacement Services (\$) |
|---------------------|----------------------------|---------------------------|---|---|
| Robert J. Eck | 2,000,000 | 3,750,000 | 20,946 | 15,000 |
| Theodore A. Dosch | 1,230,000 | 1,650,000 | 20,982 | 15,000 |
| William A. Galvin | 1,200,000 | 1,402,500 | 25,951 | 15,000 |
| William A. Standish | 705,000 | 950,000 | 13,918 | 15,000 |
| Robert M. Graham | 630,000 | 875,000 | 22,459 | 15,000 |

- (1) Salary reflects a multiple (2.0 times for Messrs. Eck, Dosch and Galvin and 1.5 times for Messrs. Standish and Graham) of the executive's annual base salary as in effect on December 29, 2017.
- (2) Bonus reflects the sum of (a) a multiple (2.0 times for Messrs. Eck, Dosch and Galvin and 1.5 times for Messrs. Standish and Graham) of executive's target annual bonus for 2017, plus (b) an amount equal to the pro-rated target annual bonus for actual days of service for the year of termination. Since the assumed termination is to have occurred at the company's 2017 fiscal year-end (December 29, 2017), the pro-rated target annual bonus in clause (b) is equal to the target annual bonus for 2017.
- (3) Health Continuation reflects the subsidized value of medical, dental and vision coverage, as applicable, for a period of 24 months for Messrs. Eck, Dosch and Galvin and 18 months for Messrs. Standish and Graham.

Equity Vesting on Change in Control

| Name | Vesting of Restricted Stock Units (\$)⁽¹⁾ | Vesting of Performance Restricted Stock Units (\$)⁽¹⁾ | Vesting of Options (\$)⁽¹⁾ |
|---------------------|---|---|--|
| Robert J. Eck | 7,390,772 | 3,745,432 | 0 |
| Theodore A. Dosch | 3,819,000 | 1,118,948 | 0 |
| William A. Galvin | 2,800,068 | 878,332 | 0 |
| William A. Standish | 1,259,244 | 0 | 0 |
| Robert M. Graham | 1,273,304 | 367,536 | 0 |

(1) Based on December 29, 2017 stock price of \$76.00.

The value of the benefits that would be payable to each named executive officer as described above was below the amount that would trigger any excise tax under Code Section 280G.

CEO Pay Ratio

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC has adopted a final rule requiring annual disclosure of the ratio of the median employee's annual compensation to the annual compensation of the CEO. As required, we are including this disclosure beginning with this Proxy Statement.

The median employee was identified from all full-time and part-time employees (including seasonal and temporary employees), excluding the CEO, who were employed by the company and its consolidated subsidiaries on October 1, 2017, subject to the exception described below. We selected October 1, 2017, which is within the last three months of 2017, as the date upon which we would identify the median employee to allow sufficient time to identify the median employee given the global scope of our operations.

In reliance on the de minimis exemption under the rule, we excluded non-U.S. employees in certain jurisdictions who in the aggregate comprised less than 5% of our total employees. Our total number of U.S. employees is 5,889 and our total number of non-U.S. employees is 2,657. In identifying our median employee, we included all 5,889 U.S. employees and 2,237 of our non-U.S. employees.

The jurisdictions from which employees were excluded under the de minimis exemption (and, in parentheses, the number of employees excluded from each such jurisdiction) are as follows: China (32), Panama (27), Costa Rica (26), Chile (23), Italy (22), France (21), Switzerland (20), Germany (19), Ireland (19), India (17), Jamaica (17), Saudi Arabia (17), Netherlands (16), Sweden (16), Turkey (14), Poland (13), Hong Kong (12), Trinidad and Tobago (10), Barbados (9), Malaysia (9), Japan (8), Russian Federation (8), Philippines (7), Portugal (7), Morocco (5), Austria (4), Guatemala (4), Norway (4), Taiwan (4), Uruguay (3), Indonesia (2), New Zealand (2), Czech Republic (1), Denmark (1) and Ecuador (1).

The median employee compensation was determined using total cash compensation, consisting of base salary, overtime pay and cash bonus. Compensation was measured over the 12-month period beginning on October 1, 2016 and ending on September 30, 2017. We do not broadly provide equity compensation to our employees, so excluding equity did not affect the median employee identification. Wages were annualized for our employees who did not work the entire calendar year. For our non-U.S. employees, we applied a local currency to U.S. dollar exchange rate to the compensation elements paid in such currency, consistent with the rates used in our 2017 budget, but did not apply a cost of living adjustment.

Mr. Eck had 2017 annual total compensation of \$6,204,421 as reflected in the Summary Compensation Table included in this Proxy Statement. The median employee's annual total compensation for 2017 that would be reportable in the Summary Compensation Table was \$57,502. As a result, the CEO pay ratio is 108:1.

NON-EMPLOYEE DIRECTOR COMPENSATION⁽¹⁾

| Name | Fees Earned or Paid in Cash (\$) | Stock Unit Awards (\$) ⁽²⁾ | Total (\$) |
|--------------------|--|--|------------|
| Lord James Blyth | 0 | 245,167 | 245,167 |
| Frederic F. Brace | 0 | 245,167 | 245,167 |
| Linda Walker Bynoe | 0 | 252,681 | 252,681 |
| Robert W. Grubbs | 0 | 215,189 | 215,189 |

| | | | |
|---------------------|--------|---------|---------|
| F. Philip Handy | 75,000 | 150,141 | 225,141 |
| Melvyn N. Klein | 95,000 | 170,097 | 265,097 |
| George Muñoz | 0 | 215,189 | 215,189 |
| Scott R. Peppet | 0 | 215,189 | 215,189 |
| Valarie L. Sheppard | 30,000 | 215,167 | 245,167 |
| Stuart M. Sloan | 0 | 215,189 | 215,189 |
| Samuel Zell | 0 | 390,138 | 390,138 |

- (1) Directors who are employees of the company are not compensated for their Board service. Compensation of the directors included (i) an annual retainer of \$215,000 (\$390,000 for the Chairman), (ii) an annual retainer for each committee chair (\$10,000 for the chair of the Compensation Committee, \$7,500 for the chair of the

Nominating and Governance Committee and \$20,000 for the chair of the Audit Committee) and (iii) an annual retainer of \$30,000 for each member of the Audit Committee (this is in addition to the annual retainer for the chair).

Directors can elect to have their compensation paid in the form of cash or deferred into vested stock units, except that \$150,000 of the annual Board retainer (\$325,000 for the Chairman) is automatically paid in stock units. Amounts are paid quarterly. The number of stock units is determined by dividing the amount due by the closing price of our common stock on the last trading day before the grant date. The stock units convert to shares of common stock and are paid to the director at a pre-determined time elected by the director.

Amounts paid in cash are shown in the **Fees Earned or Paid in Cash** column and amounts paid in stock units are shown in the **Stock Unit Awards** column. The amounts shown in the columns above reflect the compensation received by each non-employee director for services rendered during 2017. Due to rounding of stock unit grants upward to whole numbers, amounts reflected above slightly exceed the stated compensation.

- (2) Amounts shown were calculated in accordance with FASB ASC Topic 718 and reflect our expense with respect to stock units granted for services rendered during 2017. The following stock awards were outstanding at fiscal year-end for each non-employee director:

| Name | Vested Outstanding Units | Name | Vested Outstanding Units |
|--------------------|---------------------------------|---------------------|---------------------------------|
| Lord James Blyth | 64,669 | George Muñoz | 19,355 |
| Frederic F. Brace | 21,393 | Scott R. Peppet | 8,497 |
| Linda Walker Bynoe | 36,016 | Valarie L. Sheppard | 5,847 |
| Robert W. Grubbs | 25,248 | Stuart M. Sloan | 36,116 |
| F. Philip Handy | 35,791 | Samuel Zell | 83,294 |
| Melvyn N. Klein | 36,129 | | |

SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth, as of March 26, 2018, certain information with respect to our common stock that may be deemed to be beneficially owned by each director or nominee for director of the company, the named executive officers in the Summary Compensation Table and by all directors and officers as a group.

| Name of Beneficial Owner ⁽¹⁾ | Stock Units ⁽²⁾ | Common Stock | Options for Common Stock ⁽³⁾ | Total ⁽⁴⁾ | Percent of Class |
|---|----------------------------|--------------------------|---|----------------------|---------------------|
| Lord James Blyth | 65,475 | | | 0 | * |
| Frederic F. Brace | 22,199 | 200 | | 200 | * |
| Linda Walker Bynoe | 36,847 | 2,000 ⁽⁵⁾ | | 2,000 | * |
| Robert W. Grubbs | 25,742 | 72,433 | | 72,433 | * |
| F. Philip Handy | 36,285 | 23,795 ⁽⁶⁾ | | 23,795 | * |
| Melvyn N. Klein | 36,689 | 32,400 | | 32,400 | * |
| George Muñoz | 20,063 | 23,568 | | 23,568 | * |
| Scott R. Peppet | 9,205 | | | 0 | * |
| Valarie L. Sheppard | 6,555 | 847 | | 847 | * |
| Stuart M. Sloan | 36,824 | 62,942 | | 62,942 | * |
| Samuel Zell | 84,577 | 3,668,397 ⁽⁷⁾ | | 3,668,397 | 11% |
| Robert J. Eck | 103,296 | 121,185 | 271,154 | 392,339 | 1.2% |

| | | | | | |
|---|---------|-----------|---------|-----------|-------|
| Theodore A. Dosch | 55,430 | 33,529 | 59,184 | 92,173 | * |
| William A. Galvin | 40,074 | 40,496 | 46,201 | 86,697 | * |
| William A. Standish | 7,484 | 83,313 | | 83,313 | * |
| Robert M. Graham | 21,062 | 11,205 | | 11,205 | * |
| All directors and executive officers as a group including the above named persons | 686,952 | 4,227,120 | 376,539 | 4,603,659 | 13.6% |

* Percentage of shares beneficially owned does not exceed one percent of the class.

- (1) Unless otherwise indicated, each person included in the group has sole investment power and sole voting power with respect to the securities beneficially owned by such person.
- (2) Stock units convert to fully vested common stock on a 1-for-1 basis at a time specified prior to grant. None of the stock units listed in this column will convert within 60 days.
- (3) All options listed in this column are exercisable within 60 days. In accordance with the anti-dilution provisions of our stock incentive plans, this table reflects the adjustment to the number of outstanding options to reflect the special cash dividends declared on September 23, 2010, April 24, 2012 and November 25, 2013.
- (4) Totals presented in this column include only common stock, options for common stock exercisable within 60 days and stock units which convert to common stock within 60 days.
- (5) Includes 2,000 shares owned by Ms. Bynoe's spouse to which Ms. Bynoe disclaims beneficial ownership.
- (6) All shares are held in a margin account.
- (7) The shares of common stock shown in this table include: 1,000 of such shares held by the Helen Zell Revocable Trust, the trustee of which is Helen Zell, spouse of Mr. Zell; 1,449,432 of such shares are owned by Samstock/SZRT, L.L.C., whose sole owner is Samuel Zell Revocable Trust. The trustee of Samuel Zell

Revocable Trust is Mr. Zell. 1,537,147 of such shares are owned by Samstock/SIT, L.L.C., which is held by trusts established for the benefit of Mr. Zell and his family (the Zell Trusts). 526,277 of such shares are owned by KMJZ Investments L.L.C., which is held by the Zell Trusts. 55,588 of such shares are owned by Samstock/ZFT, L.L.C., whose sole member is ZFT Partnership, of which the general partners are the Zell Trusts. 55,587 shares are owned by Samstock/Alpha, L.L.C., whose sole member is Alphabet Partners, of which the general partners are the Zell Trusts. 28,700 of such shares are owned by SZ Intervivos QTIP

Trust. The trustee of the Zell Trusts and the SZ Intervivos QTIP Trust is Chai Trust Company, LLC (Chai Trust). Mr. Zell is neither a director nor an officer of Chai Trust and does not have voting or dispositive power over such common shares indirectly held by such trusts, and accordingly, Mr. Zell has disclaimed beneficial ownership of 2,203,299 of such common shares, except to the extent of any pecuniary interest therein. A total of 1,686,210 shares are pledged. 954,161 of which are part of the 2,203,299 common shares for which Mr. Zell has disclaimed beneficial ownership.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based solely upon its review of the Forms 3, 4 and 5 furnished to the company pursuant to Section 16(a) of the Securities Exchange Act of 1934, as amended, and written representations from the officers and directors that no other reports were required, we believe that all of our directors, officers and beneficial owners of more than 10% of its common stock have filed all such reports on a timely basis during 2017.

SECURITY OWNERSHIP OF PRINCIPAL STOCKHOLDERS

The following table sets forth information as of March 26, 2018 with respect to each person who is known by our management to be the beneficial owner of more than 5% of the outstanding shares of our common stock.

| Title of Class | Name and Address of Beneficial Owner | Amount and Nature of Beneficial Ownership | Percent of Class |
|-------------------|--|---|---------------------|
| Common | BlackRock, Inc. 40 East 52 nd Street New York, NY 10022 | 3,725,407 ⁽¹⁾ | 11.1% |
| Common | Samstock/SIT, L.L.C. | 1,537,147 ⁽²⁾ | 11% |
| | Samstock/SZRT, L.L.C. | 1,449,432 | |
| | KMJZ Investments L.L.C. | 526,277 | |
| | Samstock/ZFT, L.L.C. | 55,588 | |
| | Samstock/Alpha, L.L.C. | 55,587 | |
| | SZ Intervivos QTIP Trust | 28,700 | |
| | Samuel Zell | 15,666 | |
| | Two North Riverside Plaza | | |

Chicago, IL 60606

| | | | |
|--------|--------------------------|--------------------------|------|
| Common | The Vanguard Group, Inc. | 3,032,260 ⁽³⁾ | 9.1% |
| | 100 Vanguard Blvd. | | |
| | Malvern, PA 19355 | | |

- (1) According to Schedule 13G, dated January 17, 2018, BlackRock, Inc. has sole power to vote 3,654,024 shares and sole power to dispose of 3,725,407 shares.
- (2) Samstock/SZRT, L.L.C. is a limited liability company whose sole member is Samuel Zell Revocable Trust. The trustee of Samuel Zell Revocable Trust is Mr. Zell. Samstock/SIT, L.L.C. is a limited liability company whose sole member is Sam Investment Trust, whose trustee is Chai Trust Company, LLC, a limited liability company (Chai Trust). The beneficiaries of Sam Investment Trust are Samuel Zell and members of his family. Samstock/ZFT, L.L.C. is a limited liability company whose sole member is ZFT Partnership, an Illinois general partnership, whose sole partners are various trusts for the benefit of Samuel Zell and members of his family (the Zell Trusts). Samstock/Alpha, L.L.C. is a limited liability company whose sole member is Alphabet Partners, an Illinois general partnership, whose sole partners are the Zell Trusts. KMJZ Investments L.L.C. is a limited liability company whose sole members are the Zell Trusts. The trustee of all of the Zell Trusts and the SZ Intervivos QTIP Trust is Chai Trust. Mr. Zell is neither a director nor an officer of Chai Trust and does not have voting or dispositive power over such shares indirectly held by such trusts, and accordingly, Mr. Zell has disclaimed beneficial ownership of such common shares, except to the extent of any pecuniary interest therein. The amounts shown for Mr. Zell include 1,000 shares

held by Helen Zell Revocable Trust to which Mr. Zell disclaims beneficial ownership. (Also, see the Security Ownership of Management Table in this Proxy Statement.) The total does not include 84,577 restricted stock units owned by Mr. Zell.

- (3) According to Schedule 13G, dated February 7, 2018, The Vanguard Group Inc. has sole power to vote 32,377 shares, shared power to vote 3,705 shares, sole power to dispose of 2,998,798 shares and shared power to dispose of 33,462 shares.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In 2017, we sold approximately \$463,000 of products to The Procter & Gamble Company and its affiliates in arm's-length transactions. Valarie Sheppard, a member of our Board of Directors, is the Senior Vice President, Comptroller and Treasurer of The Procter & Gamble Company.

Various company policies and procedures, which include the Global Business Ethics and Conduct Policy (applicable to all directors and executive officers) and annual questionnaires completed by all of our directors and executive officers, require disclosure of transactions or relationships that may constitute conflicts of interest or otherwise require disclosure under applicable SEC rules. The Audit Committee reviews and, where necessary, approves transactions throughout the year, as they arise. At its February meeting, the Audit Committee reviews transactions that require disclosure in the Proxy Statement under applicable SEC rules, and approves the form of disclosure to be contained in the Proxy Statement.

EQUITY COMPENSATION PLAN INFORMATION

The following table summarizes information, as of December 29, 2017, relating to our equity compensation plans under which our common stock is authorized for issuance.

| | Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽¹⁾ | Weighted-average exercise price of outstanding options, warrants and rights ⁽²⁾ | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column) ⁽³⁾ |
|--|--|--|--|
| Equity compensation plans approved by security holders | 1,526,074 | \$ 46.96 | 1,969,229 |

- (1) The number shown is the number of shares that, as of December 29, 2017, may be issued upon exercise of 399,525 outstanding options and vesting of 1,126,549 restricted stock units.

- (2)

Weighted-average exercise price of outstanding stock options (excludes restricted stock units, which vest at no cost to participants).

- (3) The number shown is the number of shares that, as of December 29, 2017, may be issued upon exercise of options and other equity awards that may be granted in the future under the plans.

STOCKHOLDER PROPOSALS

Proposals of stockholders intended to be presented at the 2019 Annual Meeting of Stockholders must be received by us at our principal offices by December 21, 2018 in order to be considered for inclusion in the company's proxy statement and proxy relating to the 2019 Annual Meeting of Stockholders. Under our by-laws, any stockholder proposal submitted other than for inclusion in the proxy statement must be received by us no earlier than January 24, 2019 and no later than February 23, 2019 in order to be considered at the 2019 Annual Meeting of Stockholders, and must contain the information required by the by-laws.

HOUSEHOLDING PROXY MATERIALS

Only one Annual Report and Proxy Statement are being delivered to consenting multiple stockholders sharing an address unless we have received contrary instructions from one or more of the holders. Stockholders

at a shared address who are receiving a single copy of the Annual Report and Proxy Statement and who wish to receive separate copies now and/or in the future should make a request in writing to the Corporate Secretary at Anixter International Inc., 2301 Patriot Boulevard, Glenview, Illinois 60026 or by phone at 224-521-8000. Additional copies of the Annual Report and Proxy Statement may be obtained without charge by writing to the Corporate Secretary or from our website at <http://www.anixter.com/InvestorRelations>. Stockholders at a shared address who are receiving multiple copies of those documents and who wish to receive a single copy should direct their request to the bank or brokerage firm which holds their shares.

CONCLUSION

The Board of Directors knows of no other matters to be presented for stockholder action at the meeting. However, if other matters do properly come before the meeting, it is intended that the persons named in the proxies will vote upon them in accordance with their best judgment.

April 20, 2018

By Order of the Board of Directors

JUSTIN C. CHOI

Executive Vice President, General Counsel & Secretary

VOTE BY INTERNET - www.proxyvote.com

ANIXTER INTERNATIONAL INC.

2301 PATRIOT BOULEVARD

GLENVIE, IL 60026

ATTN: MICHELE NELSON

Use the Internet to transmit your voting instructions and for electronic delivery of information. Vote by 11:59 P.M. ET on 05/23/2018. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions. Vote by 11:59 P.M. ET on 05/23/2018. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

| | | | | |
|--|----------------|---------------------|-----------------------|---|
| The Board of Directors recommends you vote FOR the following: | For All | Withhold All | For All Except | To withhold authority to vote for any individual nominee(s), mark For All Except and write the number(s) of the nominee(s) on the line below. |
|--|----------------|---------------------|-----------------------|---|

1. Election of Directors

Nominees

- | | | | |
|---------------------------|-------------------------|-----------------------|--------------|
| 1. Lord James Blyth Eck | 2. Frederic F. Brace | 3. Linda Walker Bynoe | 4. Robert J. |
| 6. F. Philip Handy Peppet | 5. William A. Galvin | 8. George Munoz | 9. Scott R. |
| 11. Stuart M. Sloan | 7. Melvyn N. Klein | | |
| | 10. Valarie L. Sheppard | | |
| | 12. Samuel Zell | | |

The Board of Directors recommends you vote FOR proposals 2 and 3. **For Against Abstain**

- 2** Advisory vote to approve the Company's executive compensation.
- 3** Ratification of Ernst & Young LLP as independent registered public account firm for Fiscal 2018

NOTE: Such other business as may properly come before the meeting or any adjournment thereof.

For address change/comments, mark here.
 (see reverse for instructions) **Yes No**
 Please indicate if you plan to attend this meeting

Edgar Filing: ANIXTER INTERNATIONAL INC - Form DEF 14A

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN
BOX]

Date

Signature (Joint Owners)

Date

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Notice & Proxy Statement and Annual Report are available at www.proxyvote.com

ANIXTER INTERNATIONAL INC.

Annual Meeting of Stockholders

May 24, 2018 8:30 AM

Two North Riverside Plaza, 7th Floor, Chicago, IL

This proxy is solicited by the Board of Directors

The stockholder(s) hereby appoint(s) Robert J. Eck, Theodore A. Dosch and Justin C. Choi, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Common stock of ANIXTER INTERNATIONAL INC. that the stockholder(s) are entitled to vote at the Annual Meeting of stockholder(s) to be held at 8:30 AM, CST on May 24, 2018, at Two North Riverside Plaza, 7th Floor, Chicago, Illinois, and any adjournment or postponement thereof.

This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors recommendations.

Address change/comments:

(If you noted any Address Changes and/or Comments above, please mark corresponding box on the reverse side.)

Continued and to be signed on reverse side