

February 2019

Dear Customer,

**Re: Preparatory steps for potential disorderly Brexit**

The ongoing uncertainty and lack of progress with the Brexit negotiations, make a disorderly Brexit increasingly more likely. We have, as I'm sure you have, been taking steps to ensure continuity of supply to take us through a potentially turbulent few months.

Our Group takes the Brexit situation very seriously and our strategy team has been meeting regularly to make considered decisions based on the limited facts available, looking at various scenarios and assessing the potential impact these may have on our business. Having initially focused on currency fluctuation following the decision to leave the Union, we are now working with our supply chain to increase buffer stocks to mitigate the initial impact as much as possible. We understand that a supply chain is only as strong as its weakest link and we are committed to providing the highest possible level of service to you, our customers.

The above actions have had considerable time and cost implications for us, which to-date we have absorbed. However, going forward if there is a disorderly Brexit it's likely that there will be an impact on yourselves. We therefore wanted to inform you of our plans to handle this, should it become necessary. These are: -

As at present, prices quoted will continue to be valid for acceptance for a period of 30 days from the date of quotation, after which we reserve the right to requote prior to order acceptance. Normally we only apply this if there is a considerable gap between quotation and order dates. Going forward and until things become clearer, after the 30 days we will be reviewing material prices / exchange rates and any material differences in these will trigger a re-quote prior to an order being accepted.

Force majeure exists if circumstances beyond our / our supplier's control prevents us temporarily or permanently completing a contract. We have plans in place but are unable to guarantee there will be no disruption to our supply chain.

Irrespective of the above two conditions, all customs fees as well as additional processing and handling costs incurred from official authorities will be passed on.

Hopefully, this will remain just a plan that never needs to be implemented, however it's important to be prepared.

Should you wish to discuss this please feel free to contact me.

Best Regards



David Gillett  
Group Managing Director