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Dear Customer

Brexit Update

Jeaton is continuing to receive a high number of enquiries from customers, many of whom have developed feedback forms, each requesting differing levels of detail in relation to Brexit.

With more than 1,500 customers, clearly, we are not able to respond to such requests on an individual basis. We are analysing the requests we receive and will update our website with answers to the most frequently asked questions.

In most cases, it will not be possible to provide definitive responses until the UK Government has concluded its discussions with the European Union. As can be appreciated at the current date of this update there is very little clarity as to what the outcome will be to those negotiations, and therefore planning advice will be predicated around the potential exit of the UK from the European Union.

Thank you for your understanding.

The following 2 pages contains some of your questions and answers.

We are in the phase of implementing some contingency plans across our business to minimise the impact of such an outcome on our customers and our business. Our preparations encompass many areas and functions, but some of the key activities in which we are engaged with our manufacturer supply partners are:

- Working to ensure that our operating systems will be ready for changes in VAT processes for UK imports and exports
- Moving certification for certain regulated products (as supplied by some suppliers) out of the UK to notified bodies within the EU 27
- We will be ensuring that where necessary our supply network is able to allow direct shipments to the Republic of Ireland
- Some of our suppliers have confirmed that they will have suitable contract clauses in place to allow the continued transfer of data between the UK and EU in the event of a hard Brexit

Important - We would encourage all our customers to provide as much visibility of forward order requirements that you can provide and consider increasing stock levels of important products in the short term as this will help to provide a degree of stability to the supply of materials.

This will ensure that we can plan inventory levels to fully meet customer requirements – especially important after the 29th March 2019 deadline.

FAQS

Q1 Will Jeaton pass on any additional cost from duties and tariffs in the event of a “No Deal” Brexit as price increases to its customers?

As with all cost increases, Jeaton will seek to minimise the impact on our customers.

Q2 Will lead times increase as a result of Brexit?

Any additional customs processes required at UK borders would, inevitably, affect the transit time for goods into and out of the UK. The Jeaton supply chain organisation is working to ensure we minimise any impacts on our customers.

Q3 Can Jeaton guarantee that the products customers currently buy, will still be available to purchase in the UK after Brexit?

Jeaton is constantly reviewing and adjusting its portfolio; however, there are no plans to make any portfolio changes as a direct result of the Brexit process.

Q4 Can Jeaton guarantee that the products currently sold in the UK will meet any new UK regulations after Brexit?

Jeaton has a very strong commitment to compliance and would not release any products onto the market unless they fully comply with all relevant legislation.

Q5 Is Jeaton stockpiling inventory ahead of 29 March 2019 in order to ensure continuity of supply?

The Jeaton supply chain organisation will work to have sufficient products available to meet our customers' needs. However, we have limited warehouse space and cannot keep stock of everything for everyone, forward order planning and commitment from you is required to ensure minimum impact on your business.

Q6 Will Jeaton pay for any additional testing that is needed for products to meet any new UK regulations, following a No Deal Brexit?

Jeaton will ensure that all products supplied are tested and compliant with any new UK regulations before being sold in the UK.

Q7 If new UK regulations after Brexit require different packaging, will Jeaton commit to continued supply of the products affected?

Jeaton will ensure that all products comply with any new packaging requirements before being sold in the UK. Jeaton is constantly reviewing and adjusting its portfolio, but there are no plans to make any portfolio changes as a direct result of the Brexit process.

Q8 If freight costs go up after Brexit, will this mean price increases for Jeaton customers?

Jeaton operates within a competitive environment and will always work to minimise costs and, wherever possible, limit the impact on customers through price increases.

Q9 Will Jeaton hold stock of products in the Republic of Ireland to ensure good service for its Irish customers?

The Jeaton supply chain organisation is closely monitoring the situation and exploring several possible options for supply to the Republic of Ireland to minimise any potential impact on customers in coordination with some of its suppliers.

Q10 If Sterling falls significantly against the US Dollar and/or the Euro after Brexit, would this affect Jeaton's pricing to UK customers?

Jeaton operates within a competitive environment, so will always work to minimise costs and, wherever possible, limit the impact on customers through price increases.

Q11 Can Jeaton guarantee that Brexit will not affect prices and lead times for UK and Irish customers?

Jeaton is closely monitoring the situation and exploring a number of possible options for supply to the Republic of Ireland to minimise any potential impact on customers.

Q12 Is Jeaton ready for a 'hard' Brexit?

Along with many UK based organisations right now Jeaton is closely monitoring developments and has established a Brexit team that is responsible for ensuring the organisation is prepared for this scenario.

Q13 Could Brexit have a negative impact on Jeaton's service levels to customers?

Jeaton constantly strives to provide the highest possible service levels for its customers. Brexit will not change this.