

Shawcity Limited Brexit Planning

'No Deal' Scenario

18th September 2019



Shawcity distributes i) instrumentation within the UK and Ireland and ii) gas sensor products throughout the EMEA region.

As a 'No Deal' Brexit is now a real possibility, Shawcity Limited is putting into place measures to counteract the impact of this and to ensure a continued reliable supply after 31st October 2019 (or a later date if applicable) of our products and services which are critical to our customers' businesses.

Our goal is to minimise the impact of Brexit (in any scenario) on our customers and we will communicate as frequently as possible once the outcome of Brexit is finalised by the Government with our customers.

The key actions and assessments we are currently undertaking include the following:

- Within our role as distributors of instrumentation we import from manufacturers across the world and are working closely with each of them in terms of Brexit planning.
- We have asked each of our manufacturing partners to supply us with their contingency plans for a 'no deal' Brexit and the assurances they have provided mean we are confident our supply chains will suffer minimal disruption during this transitional period. Any changes in standards, certification and labelling resulting from a 'no-deal' Brexit will be managed and implemented by our partner manufacturers on an ongoing basis.
- Our suppliers have included in their contingency planning work to achieve full production capacity to cover any additional demand for stock.
- We are in the process of speaking to our customer base detailing our current approach and providing them with any extended lead times or estimated custom delays we have been made aware of to date.
- As an extra precaution we are encouraging our customers to review their current stock levels and forecasted needs to ensure we can meet their demands and place any impending orders ahead of the normal timeframe to protect against any delays, especially for any specific high risk items.
- For specific project work already underway or close to sign-off, we are reviewing all current orders to obtain early clarification of specifications and/or quantities required to ensure these are ordered ahead of time.
- We have our Economic Operator Registration and Identification (EORI) number in place to minimise any increase in costs and delays in the movement of goods and are in a position to comply with any export instructions that may be issued by EU-member states.
- We are talking to the businesses we use to move our goods to ensure we have provided all of the information required to mitigate the risk of any customs delays and reviewing alternative routes into and out of the UK. We are also preparing for increases in customs administration and potential AEO certification.

- We have assessed the Department for International Trade's country-by-country guidance for exporting after Brexit if there is no deal in place, in preparation for dealing with customers within countries worldwide.
- We are continuing to review the political landscape on a daily basis, consult with customers and industry peers, as well as industry-leading organisations such as the BSIF, to stay informed on ways to best mitigate any negative effects of Brexit.
- We will continue to monitor potential financial costs, both in terms of any price increases from manufacturers as well as shipping costs, increased duty and tariffs and foreign exchange fluctuations in the event of a 'no-deal' Brexit. The potential for increases are a real possibility but we will maintain our existing costs for as long as possible.
- If we do leave the EU without a deal, we have made preparations to continue the free flow of data from the EU to the UK and protection of EU data subjects.
- We are not reliant on an EU workforce and therefore will not experience immigration compliance issues or a depletion of our team in the event of a no deal Brexit.

We encourage any of our trading partners and related companies to make contact with us if they have any direct or specific concerns.

Neil O'Regan
Managing Director