

Opening Statement

The decision made by the UK to leave the European Union, means that Curtis (UK) must embrace the challenges that this decision will bring. Inevitably there is still a great deal of uncertainty as the Brexit negotiations continue and therefore our plans are intended to allow for a degree of flexibility in the interim period.

Curtis UK has been engaged in strategic planning meetings both here in the UK and at our Head Office in the United States, since the middle of 2018. As the October deadline fast approaches, we have reviewed our initial risk assessment on the operational areas listed below:

- Customer service and supply chain
- Financial implications
- Regulatory frameworks and compliance

In response to the increasing amount of advice available from the UK Government, HMRC, financial advisors and banks alike, we are confident our plans are current and able to cope with all potential Brexit scenarios. Clearly our aim is to avoid disruption to the supply chain and ensure smooth and orderly trade in goods between Curtis UK and UK/EU based customers, whatever the outcome may be. We have taken a number of measures to facilitate this and have full Corporate backing to make whatever changes are required to ensure our customers continue to receive the best quality supply and service from us, now and in the future.

Essential Information for Your Records

Curtis UK EORI Number - GB178235836000

VAT Number - GB178235836

Transitional Simplified Procedure Number - GBEIR178235836000I120190328163425

Lead Times Pre/Post Brexit

Curtis UK sources product from all over the globe into both the UK and Europe. We supply from one UK and two mainland European warehouses, direct to customers both inside and outside of the European Union, which means we can adapt stock management and movement to fit whatever Brexit scenario may eventually happen. However, change is never as smooth as we may like, or anticipate.

We have taken a mixed approach already. Some stock levels have been increased and may be further adjusted if need be, but as all supply orders are scheduled up to 6 months in advance (based on customer information, forecasts and order history for example), further adjustment may be unnecessary.

Our best advice to all customers is to work closely with us. Keep us close to your production planning by providing accurate short and long term forecasts that we can work with. If we know your plans in good time, we can take appropriate measures to make sure we keep pace. Once it is known which route the UK and Europe are taking, we will focus on this and plan accordingly. Similarly, you may feel it appropriate to mitigate risk by holding additional stock at your facility.

Import/Export Duty Implications

Consideration for this will depend on the type of Brexit. Should "hard" Brexit apply the UK may operate under WTO rules and customs checks on goods may change potentially resulting in supply chain issues (which are covered above). Under a "soft" Brexit, an implementation period will apply and trade in goods continue as-is with standard EU tariffs being applied and passed on to the EU.



Curtis UK Brexit Advice and Strategy Statement **October 2019**



Regulatory Compliance Post Brexit

All products, both supplied and manufactured by Curtis, are designed for a global market where many different rules, specification, policy, standards or laws apply. Regulatory compliance for Curtis will remain as is; a constant commitment to relevant laws, policies, and regulations both now and in the future and investment in our engineering design excellence will continue, irrespective of Brexit.

Summary

Whilst we recognise that there remains significant uncertainty around the eventual political and legal outcome, based on our understanding today we do not believe that Brexit will generate unmanageable risks for our business. Curtis, both UK and globally, have every confidence in the skill and expertise of our administrative staff and their understanding of export procedures to be able to cope with and adapt swiftly to any changes necessitated by Brexit. Furthermore, we widely employ the services of forwarders and agents who have international status. Together we will be able to adapt and respond to likely added complexities from Brexit in the event of tariffs being introduced on trade between the UK and EU.

We understand that many customers have concerns. It is in our interest and the interest of those customers who wish to continue with the excellent supply and service we provide from the UK, to continue to review our position as more information is provided by the UK Government and European Union over the coming days and weeks.

Our Brexit strategy is, therefore, to review each individual customer supply chain post Brexit and to make the necessary changes required to minimise disruption and costs and maintain overall customer service by way of changing distribution points, direct shipping from our production facilities or, if needs be, setting up alternative warehouses. All of which have been considered prior to having full and final knowledge of the UK's future in the European community.

David Wilkes
Managing Director
Curtis Instruments (UK) Limited
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