



Brexit & Nevilles – Update August 2019

With the leave date of 31st October looming, and with many predicting a 'hard', 'no-deal' Brexit, we wanted to update you on what Nevilles are doing in a positive way to mitigate any negative impacts of a 'no-deal' Brexit.

From a currency point of view, we have seen currency rates worsen, as uncertainty continues. Nevilles hedge a proportion of our currency to mitigate and smooth the effect of currency fluctuation. We have deals to cover the rest of 2019, with varying percentages of cover for future months demand beyond this. As regards sourcing, we have a heavy emphasis on sourcing from Far East & India, with smaller percentages of product originating from Europe. We have increased stock holding from European suppliers by an additional 30 days to mitigate any delays from these suppliers.

Tariffs, if incurred, will be borne by Nevilles until the next pricing window. The next pricing window is in January 2020. We will notify customers of this pricing 30 days before this pricing window, in December 2019. We have a second pricing window in July 2020, which we reserve the right to use, should we need to change pricing for the second half of 2020.

We encourage customers not to enter into long term agreements on pricing, and give themselves the opportunity to review pricing in line with changes that can occur. Our high stockholding (over 140 days of stock on average) gives us a perfect ability to deal with delays in supply chain, should these occur. Typical lead times vary from 4-6 months on our products, so we are well used to managing long lead times.

The EU, non-UK citizens in our work force may well face their own personal challenges, and we will support them to manage these as they arise. We value their ongoing contribution to Nevilles success.

For Nevilles and despatch to our EU customers, we do see delays inevitable in the few days before and after the 31st October. Most experts predict that borders will see significant delays, disruption and confusion. We do not desire for any Orders or goods to get caught up in this, **so we propose the following solution:**

We request that **last order despatch for EU customers, will be on Friday 25th October**, for despatch pre-31st October deadline. Customers will need to place their orders by 4pm on Thursday 24th October. **Our first despatch to the EU after the 31st October will be Monday 4th November.**

We do ask that our EU customers review their needs & allow for this break by ordering sufficient stock before the 24th October deadline, given that there will be a break in supply for 5 business days. It will be possible to place an order and collect this from Nevilles during this period.

We expect despatches to our UK & NI customers to be unaffected.

We are aware that Brexit will give us challenges, however we know that we are well positioned, as we have been over our 54 year history, with a strong business proposition, to withstand these challenges.

Andrew Neville

Managing Director