

# WINNARD

## BREXIT EVALUATION & STRATEGY

If everything proceeds as planned the United Kingdom will officially end its membership of the European Union On the 29<sup>th</sup> March 2019. While nobody can accurately predict what impact this will have it makes sense to take an overview of any potential issues with the objective of reassuring our customers and suppliers that we are doing everything we can to safeguard our position and to make the transition as simple and smooth as possible.

Listed below are the most common question being raised by our trading partners and our assessment of what impact there will be on our business and any actions we have taken to mitigate any risk:



**1. Will Brexit affect the availability of our product?**

A. Winnard products are primarily sourced from outside the European Union so no direct impact is expected. However, we may experience some delays due to operational processing at the ports so we are increasing our lead times and stock levels to try and compensate for this potential delay.

**2. Will Brexit have any impact on our staffing capabilities?**

A. NO, Winnard will not be affected by any potential labour restrictions.

**3. Will Brexit make trading with Europe more difficult?**

A. It is highly likely that trading with our European partners is going to be more bureaucratic than it currently is and will lead to increases costs and delays. To make this transition as smooth as possible our export documentation has been analysed by our main distribution partners and has been found to be up to the required specification to meet all known requirements. Should any unforeseen issues arise we also have the option of utilising our new trading company in France. Winnard France is independent company and will remain a part of the European Union.

**4. Will Brexit create currency fluctuations and affect agreements we have with our trading partners?**

A. Currency exchange rates are affected by many global factors and without forward ordering currency you cannot totally protect your self from this situation. Winnard have always closely monitored exchange rates and only make pricing adjustments when absolutely necessary. Brexit is no different to any other currency issue. If exchange rates change beyond acceptable tolerances then we will have no option but to make some price adjustments. Customers will be provided with ample notice of any major price changes.

**5. Will Brexit affect ECE R90 Approvals?**

A. NO, Winnard's ECE R90 approvals will **not** be affected by Brexit. The ECE R90 approval for brake pads and more recently brake discs are a United Nations Economic commission (UNECE) organisation for harmonised vehicle regulations. This means that membership of the European Union is not and has never been a requirement for companies to be able to provide testing and to certify product to this regulation.

Should you have any further questions or concerns then please get in touch with our UK management team.