

## Brexit Statement

In order to mitigate the potential negative impact on its operations and customer service level of the UK leaving the European Union on 29<sup>th</sup> March 2019, PennWhite has analysed its key business areas and, where possible, taken measures to address such issues. These are outlined below and will be amended or added to in response to the likelihood of a hard Brexit, soft Brexit or no-deal Brexit.

### Raw Material

Many of our key raw materials are supplied by companies based in EU member states. In anticipation of limited or delayed availability following Brexit we have increased our stock holding of these materials, where possible, by around 25%. We estimate that this will enable us to hold four to six weeks of stock of these materials at the time of Brexit.

### Capacity

In order to store additional raw materials we have increased our bulk storage capacity for raw materials by almost 40% with the installation of new external storage tanks at our Middlewich site. We are currently considering the installation of a further 25,000 litre tank in response to the likelihood of a no-deal Brexit.

### Workforce

Only around 4% of our UK based workforce are non-UK citizens. In the extremely unlikely event of their forced repatriation following Brexit, or their choosing to return to their EU country of origin, their absence would not be a significant constraint to our business activities.

### Tariffs

In the event of the UK Government choosing to apply tariffs in line with WTO rules to EU sourced raw materials following Brexit, we will operate in line with Government guidelines and applicable law.

### Regulation

To facilitate the export of our products, either by ourselves or by our customers, we will continue to observe and comply with relevant EU regulations following Brexit.

**This document has been prepared and approved by the Board of Directors of PennWhite Ltd**



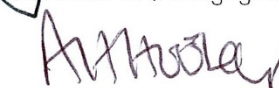
John Whitehead Sr. (Managing Director)




Mark Humphries (Technical Director)




Ray Richardson (Financial Director)



Alexandra Hooley (Director)



John Whitehead Jr. (Director)



Stephen Whitehead (Director)