

21<sup>st</sup> January 2019

## **Brexit & Bertram Books**

Dear customer,

As of 29<sup>th</sup> March 2019, the UK is likely to be exiting the EU. While the details of the Brexit deal are still being discussed, Bertram Books has been assessing the risks to our supply chain and service to customers, and planning contingency measures where we identify that there may be an interruption to service. The following areas were considered as potential areas that may be impacted, however their risks have been considered 'Low':

### Labour considerations:

We have a number of employees who originate from the EU. However, all our employees hold permanent contracts with the company, and we do not expect any change to their status post-Brexit, as confirmed here:

<https://ec.europa.eu/unitedkingdom/services/your-rights/Brexiten>

Our employees have a minimum of one month's notice period within their contract of employment, so were any EU staff to opt to return to their home country, the business would be able to recruit replacements.

### Reliance on staff movement between EU & GB:

The occasional travel undertaken by our staff will not be significantly impacted. Our group holds companies in Holland and France so it is in our interest to facilitate travel where required, but we do not envisage any issues.

### Supply Chain:

#### *Offshore manufacture or origin*

A relatively small proportion of books which are supplied to customers are produced in the EU. Until the finer details of Brexit are confirmed, we cannot speculate about changes to border control for imports and exports. Nonetheless, we will continue to work with our suppliers, couriers and agents to ensure that any necessary changes to shipping processes conform with any new requirements imposed. We do not expect book supply to be impacted greatly, as our existing import process of books from non-EU countries is a very smooth operation.

#### *Potential for extended lead times/delayed availability*

There is some potential that the import process will be slightly interrupted while new regulations are put in place, meaning there may be delays to sourcing books from the EU. However, on the whole books are very easily moved between countries (including non-EU countries), so we do not imagine that this impact will be great. Our Demand Planning Team are tasked with ensuring our warehouse is sufficiently stocked to maintain adequate supply to our customers, and they are taking extended lead times into account in their planning for March 2019 and beyond.

### Regulatory:

#### *Potential Tariff charges*

We supply materials classified under WTO Tariff Code 49 (Printed books, newspapers, pictures and other products of the print industry; manuscripts, typescripts and plans). Zero VAT applies to these materials being imported from EU and non-EU countries, and we do not anticipate this changing post-Brexit.

## **Bertram Books**

1 Broadland Business Park, Norwich, NR7 0WF

T +44 (0)1603 648333 F +44 (0)1603 648322

bertrams.com

*Data Transfer*

The UK Information Commissioners Office has confirmed that the UK will continue to comply with GDPR regulations by the letter regardless of the Brexit outcome. GDPR will be adopted into law on 29th March under a UK DPA 2018 law. According to the regulations, the transfer of personal data to a non-EU country is prohibited unless that country has "an adequate level of data protection". The UK meets that "adequate level" by maintaining GDPR's rules. The UK will not be treated as a "third country". As a company, we will need to update our Privacy Policies to a) amend the reference to the regulation with which we are complying and b) make it transparent that data will be transferred outside of the EU (i.e. within and to/from the UK). This will be actioned once the process has been confirmed by the UK government.

Commercial:

*Exposure to foreign exchange volatility*

As a UK based company, a large proportion of our customers require invoicing in GBP and therefore they are protected from currency fluctuations. However, there are occasions where we purchase materials in non-GBP currency. We usually apply an exchange rate at the point of invoice. Doing this means that both parties should be largely protected from foreign exchange rate volatility.

*Potential exposure to duties/tariffs if "no deal"*

See above 'Potential Tariff Charges'.

*Potential of supplier withdrawal/relocation*

We have no intention to relocate our company from its Norwich, UK headquarters.

*Dependency/exposure to funding & investment availability*

In February 2018, Bertram Books and the wider Bertram Group were purchased by Aurelius Equity Opportunities, a German investment company. They have purchased our company in full knowledge of the potential impacts of Brexit, and their group business strategy is centred around mid-long term investments. This gives us confidence that investment availability from them will not be affected by the UK leaving the EU."

Regards,  
Iain Affleck

Head of Retail & Education Sales  
**Bertram Books**

**Bertram Books**  
1 Broadland Business Park, Norwich, NR7 0WF  
T +44 (0)1603 648333 F +44 (0)1603 648322  
bertrams.com