

Xylem Europe GmbH

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xylem
Let's Solve Water

Schaffhausen, January 24, 2019

Xylem prepares for Brexit

Dear Sir/ Madam

Xylem continues to deal with all business and regulatory changes that come as a result of the United Kingdom of Great Britain and Northern Ireland leaving the European Union on March 29, 2019. With only two months left before the end of March, we are now executing the plan we developed in 2018, which ensures Xylem can continue doing business under the changed regulatory environment.

Xylem's preparations for a hard Brexit include; export and import declarations, increased safety stock levels, as well as contingency plans with partners in our supply chain such as; suppliers, freight forwarders and customs brokers. However the plan is not limited to a process for the trade flows between the UK and the EU27 member states.

While Xylem is prepared for everything a business can control, there are areas which we cannot influence. Such as; customs duties levied on products that cross the new customs border, waiting times at the border and costs for customs clearance to name a few. Our intention is to let costs related to actions taken by the UK and the EU member state lawmaking bodies and authorities pass through.

While we hope that the UK and the EU will decide on a transition agreement, Xylem still prepares and focuses on a hard Brexit on March 29, 2019. Up until UK finally leaves the EU Xylem continues doing business based on current legislation with the existing rules and principles. Rest assured we are well prepared to change set up on the first day of exit.

Yours faithfully,

Xylem Europe GmbH



Christian Blanc
SVP, President Europe