

PRIVATE AND CONFIDENTIAL

Update 04/09/19

Dear Customer

Further to our Brexit communications, and given recent events in Government, we write today to clarify our position in the event of a No Deal Brexit on 31st October 2019.

We aspire to be the partner you turn to for guidance and support at all times and in all kinds of market conditions.

In that spirit, we have been communicating regularly with both the Departments of Health and Social Care and Customs since we last wrote to better understand the trade requirements under a potential No Deal Brexit. While the predicted flow rate across the short straits has improved slightly since 29th March, significant disruption is still expected for six months following a no-deal exit, with the most severe period being the first three months. As an experienced importer/exporter, we are as prepared as possible given all the available information and Government advice. Details about Government advice can be found online or via this link:

<https://www.gov.uk/government/publications/medicines-and-medical-products-continuity-of-supply-update>

As you think about how best to manage your practice in this uncertain environment, we encourage you to contact your Henry Schein representative to discuss any specific needs your practice may have. Our goal is always to provide you with the products and services you rely on to run a better practice, and we are committed to doing so as best we can throughout this challenging period.

We thank you for your understanding and for your continued support. Please know that we are doing everything we can to minimize disruption to your business and your patients.

Original Statement

Our promise is to help you Practice With Confidence. We aim is to make every customer's dental life easier through our expertise and service.

Some of our customers have made enquiries asking for guidance around product availability in the event of a "hard" Brexit or "no deal" Brexit. We'd like to do our best to answer those questions here with the limited information we have. We'd also like to update you about the steps we are taking to prepare for what could be a challenging time in the marketplace.

Henry Schein are actively monitoring developments and communicating regularly with the Department of International Trade to understand all the possible scenarios. We're planning for every possibility. This includes understanding which products might be most at risk, so that we have contingencies in place.

During the current period of uncertainty, it isn't possible for us to provide definitive answers around Brexit, and we don't anticipate being able to do so until the UK Government has concluded its discussions with the European Union. We aren't able to respond to specific requests to complete detailed feedback forms, as the situation is fluid and the information available to us is limited. We thank you in advance for your understanding.

We'd like to share the following information about our contingency planning:

- We have assembled a cross-functional internal task force to assess risk from a number of perspectives (Regulatory, Supply Chain, Quality Release, and more).

- We have ensured that the task force have full visibility of all the trade flows of products that are sold in the UK, understanding supply points, trading entities, lead times, and safety stocks
- We are working to ensure full AEO (Authorised Economic Operator) certification is obtained to enable the task force to quickly address any and all “fast track” options as part of any potential customs arrangements that may be put in place as part of the Brexit negotiations
- We are reviewing our distribution network to identify any changes needed to accommodate any customs arrangements that may pertain post-Brexit.
- We have created a dedicated contact point for all Brexit enquiries from customers to ensure consistency and efficiency of response. Please direct any queries by email to brexitqueries@henryschein.co.uk
- We have also attached some FAQ below that address some of the specific questions we’ve received.

Frequently Asked Questions

- Will Henry Schein Dental pass on any additional cost from duties and tariffs as price increases to its customers? As with all cost increases, Henry Schein Dental will seek to minimise the impact on our customers.
- Will lead times increase as a result of Brexit? We anticipate that any additional customs processes required at UK borders would necessarily affect the time required for goods to move in and out of the UK. As with all contingencies, we are working to ensure we minimise any impacts on our customers.
- Can Henry Schein Dental guarantee that the products customers currently buy will still be available to purchase in the UK after Brexit? At this point, Henry Schein Dental cannot make any guarantees because the negotiations are not completed. That said, we have no plans to make any portfolio changes as a direct result of the Brexit process.
- Can Henry Schein Dental guarantee that the products currently sold in the UK will meet any new UK regulations after Brexit? We have a very strong commitment to compliance and would not release any products into the market unless they fully complied with all relevant legislation.
- Is Henry Schein Dental stockpiling inventory ahead of 31/10/2019 in order to ensure continuity of supply? Our supply chain will work to have sufficient product available to meet customers' needs.
- Will Henry Schein Dental customers in the Republic of Ireland face delays and price increases after Brexit should their goods pass through the UK? We are exploring all options to minimize the potential impact on customers in the ROI.
- If new UK regulations after Brexit require different packaging, will Henry Schein Dental commit to continued supply of the products affected? Henry Schein Dental will ensure that all products comply with any applicable new packaging requirements before being sold in the UK.
- If Sterling falls significantly against the US Dollar and/or the Euro after Brexit, would this affect Henry Schein Dental pricing to UK customers? As with all contingencies related to Brexit, we will work to limit the impact on customers, where possible.
- Could the new UK regulations mean that UK customers do not have access to products sold elsewhere in the world? It’s too soon to speculate on that possibility, but rest assured that we are doing everything we can to minimise the impact of Brexit on our UK customers.
- Could Brexit have a negative impact on Henry Schein Dental service levels to customers? We do not anticipate changes to service levels because of Brexit.

We thank you for your understanding and for your continued support. Please be assured that we are doing everything we can to minimize disruption to your business and your patients.

Best Regards

Henry Schein Dental