

TRADITIONAL SNUFF & TOBACCO MANUFACTURERS - ESTABLISHED 1792 -

The Kendal Brown House, Canal Head North, Kendal LA9 7BY

Tel: 01539 720117 Fax: 01539 734327

enquiries@samuelgawith.co.uk

2nd March 2015

Dear Ladies and Gentlemen

In 1865 the two brothers Gawith, Samuel and John, parted amicably from the then Snuff and Tobacco business in Kendal, founded in 1792, to pursue their own tobacco interests.

Both brothers set-up their own manufacturing facility and to this day Samuel Gawith and Gawith Hoggarth peacefully exist, working side by side in the Town.

Today, there is pending, a great deal of legislation, both here in the UK and worldwide, designed to severely damage or destroy our legal business. Here in the UK we are faced with the prospect of a "product black-out", meaning that, shortly, the consumer will not be in a position to choose a product from a display of products. The products will be hidden from view in an attempt to destroy the smokers "freedom of choice". The aim is to reduce the number of smokers.

In addition we will have the added burden of plain packaging, increased health warning size, no smoking in cars or vehicles and the proposed introduction of holograms on packets. Pack sizes will change from a minimum of 12.5g to a minimum of 30g. All in all, designed to destroy.

The UK has a very strong and loyal smoking population, as has Europe and the RoW, and to this end the UK manufacturers and retailers as a whole are fighting this legislation.

As well as the negative impact these proposals will have on our industry and the end-users, there is the additional and prohibitive costs of implementation.

Our industry needs to maintain and increase strength to fight these implementations and to this end an agreement has been reached between the two Companies, Samuel Gawith and Gawith Hoggarth who, after 150 years, will re-unify as one.

Samuel Gawith & Co. Ltd.

Reg. No.: 319474 England VAT Reg. No.: 153 4276 72

This will take effect as from 18th March 2015.

What this means is that both businesses will remain in Kendal with the business of Samuel Gawith closing down The Kendal Brown House and moving machinery, products and personnel to the larger, more modern premises of Gawith Hoggarth. Here, the Samuel Gawith brands will continue to be manufactured, with little or no change to that which you have become familiar. The Samuel Gawith brand will continue to exist.

The re-unification of the two Houses of Gawith will also ensure the continuity of the "English Blend", no- where else will you be assured of the supply and quality of a Traditional English Tobacco. By "blending" the two brands together you will have the "treasures" of the tobacco trade. Not only does this move hopefully go some way to fighting the "tobacco corner" but we feel that it will strengthen the brands of both companies and give a stronger, longer and better future to our trade with you and your future business.

With regard to your regular contact at the new production site, I am very happy to tell you that I will remain as your contact for the foreseeable future and sincerely hope that our good relationship will strengthen with this move.

It is my intention to contact you by telephone, irrespective of time differences, soon after you receive this letter so that I can answer any or all questions that arise and, if needed, to re-assure you of any doubts you may have of which we have none.

My sincerest regards

Bob Gregory