

Corporate Governance Statement 2019

We continue to promote good governance that supports effective decision-making and the delivery of our strategy. During the past year the Board has overseen the progress made in our strategy of becoming a provider of end-to-end supply chain logistics solutions, including the successful acquisition of The Pallet Network, a specialist in 'less-than-truckload' distribution services.

Good corporate governance is key to ensuring effective decision-making, encouraging a culture of openness and accountability and supporting the management of the business for the long-term benefit of our stakeholders. Our traditional high standards of customer service and integrity support our strategy of developing the business through organic growth and increasing market share.

The broad range of skills and experience of our Directors enables the Board to discharge its responsibility to provide strong and effective stewardship of the business. We remain committed to complying with the QCA Code, which we consider to be the appropriate governance code for Eddie Stobart.

P H Swatman
Chairman

QCA principle	How we comply	Where to find more information
Deliver Growth		
<p>Establish a strategy and business model which promote long-term value for shareholders</p>	<p>The Board approves the Company's strategy and oversees progress towards its strategic objectives. Briefings on market developments and customer requirements support strategic discussions at each Board meeting. The Board believes that our strategy to become a leading provider of end-to-end supply chain solutions promotes long-term value for shareholders. We have made progress in the 2018 financial year towards achieving our growth strategy by:</p> <ul style="list-style-type: none"> • Significant organic growth, both new contract wins and contract renewals with existing customers and increasing market share; 	<p>For further information on our business model and strategy, please see the operating model and strategy sections of our 2018 Annual Report on pages 10-13. Our 2018 Annual report is available on our website here.</p> <p>For further information on the key challenges facing the Company and how those challenges are being addressed please see the principal risks section of our 2018 Annual Report on pages 26 and 27, and the</p>

	<ul style="list-style-type: none"> • the acquisition of The Pallet Network; and • investment in technology and systems. <p>Our operating model provides the platform to offer a full range of bespoke solutions for customers. We operate a pay-as-you-go shared-user network operating in complementary sectors of the market and offer a range of services across the supply chain. We maximise fleet utilisation in our transport operations by carrying loads for multiple customers in one vehicle and manage movements by using state-of-the-art technology to minimise empty miles and offer dedicated and multi-user warehousing facilities. We offer e-commerce fulfilment services and returns management through our subsidiary, IForce. We also offer express business to business freight services through our subsidiary, Speedy Freight, and a pallet network service through our subsidiary, The Pallet Network and e-fulfilment services.</p> <p>Our consulting-led approach identifies customer needs and we respond with bespoke solutions. This approach is fundamental to our growth strategy of accessing new business opportunities across the supply chains of new and prospective customers.</p>	<p>Company's Admission Document.</p> <p>For further information on the activities of the Board, please see the Board section of our 2018 Annual Report on pages 31-32.</p>
<p>Seek to understand and meet shareholder needs and expectations</p>	<p>The Board considers effective communication with its investors to be an important part of its role. In addition to providing clear and concise reporting, meetings are held with institutional investors regularly to listen to their views. Engagement with shareholders and potential investors is primarily undertaken by the Chief Executive and the Chief Financial Officer. The Chairman and other non-executive Directors meet with investors on request. Shareholders have the opportunity to raise matters for discussion with the entire Board at the Annual General Meeting. The results of voting at the Annual General Meeting are posted on our website.</p> <p>We keep up to date with the views of our shareholders by frequent dialogue and meetings with key investors and</p>	<p>Please see the shareholder engagement section of our 2018 Annual Report on page 37.</p>

	<p>responding promptly to any questions or issues raised by shareholders.</p> <p>Requests for meetings should be made to the Company via the Company's PR advisers, FTI Consulting, on (0)20 3727 1340. Shareholder enquiries can be submitted by email to enquiries@eddiestobart.com. Feedback from, and reports of meetings with, current and potential investors is considered by the Board at each meeting.</p> <p>The Board believes these shareholder engagement activities give the Directors a good understanding of the views of the Company's shareholders.</p>	
<p>Take into account wider stakeholder and social responsibilities and their implications for long-term success</p>	<p>We are committed to running our business in a responsible way and continue to develop our corporate social responsibility practices to support our employees, our customers and the environment. Our Code of Conduct explains our ethical standards as an organisation and how we expect our employees and suppliers to act and our Core Values underpin the way we behave as a Company. Our whistleblowing policy, provides guidance to all employees so that they know that they can raise a concern about any possible wrongdoing on an anonymous basis.</p> <p>We are committed to preventing modern slavery and human trafficking from occurring within any part of our business and supply chain and continue to focus on improving the effectiveness of our systems and controls in this area. Our Modern Slavery Act statement is available on our website.</p> <p>We have invested in a new IT system using the latest technology to help us manage our health and safety processes, accident, incident and near miss reporting as well as site maintenance works and audits. This system enables us to better monitor accident frequency rates and types of injuries sustained so we can benchmark health and safety performance of specific sites and business areas so we can take targeted actions to introduce safety improvement initiatives.</p> <p>Protecting the health, safety and wellbeing of our employees, those who</p>	<p>Please see the Corporate Social Responsibility section of our 2018 Annual Report on pages 24 and 25.</p> <p>For further information on our employee engagement please see pages 21 and 36 of our 2018 Annual Report.</p> <p>Please see our Modern Slavery Act statement.</p> <p>For further information on our approach to health and safety please see page 24 of our 2018 Annual Report.</p>

	<p>work with us and those who are affected by our business operations is a responsibility we take very seriously. We have a dedicated team responsible for health and safety standards and comprehensive policies on safe working and accident management. We have invested in a new IT system using the latest technology to help us manage our health and safety processes, accident, incident and near miss reporting as well as site maintenance works and audits. This system enables us to better monitor accident frequency rates and types of injuries sustained so we can benchmark health and safety performance of specific sites and business areas so we can take targeted actions to introduce safety improvement initiatives. We obtain employee feedback via a monthly driver and warehouse representatives forum. This year we have introduced a new employee engagement forum for office-based staff and a focus for the coming year is to explore channels to engage more effectively with those individuals in our workforce who not based in any one location and do not have access to emails.</p> <p>We recognise the importance of environmental protection and we continue to invest in new technologies to further improve our environmental standards.</p> <p>While 'When you wish upon a Star' is our corporate charity partner, we encourage our employees to champion and support local causes which are important to their teams and customers.</p> <p>In 2018 our people supported the causes that mattered to them most. They chose to donate to Alzheimer's UK, and our teams got creative dressing as elves, they took part in gruelling muddy obstacle courses and ran marathons dressed as Santa. They also collected and donated for Warrington Foodbank, which is part of the Trussell Trust network, a charity that provides emergency food supplies to people living in crisis. We maintain close contacts with our customers, suppliers and others who work with us and obtain feedback through continuous dialogue with a focus on performance and customer satisfaction. Our business model enables the Board and executive management to have a clear view of who our key stakeholders are and to take into account their views.</p>	<p>For further information on our approach to environmental protection please see page 25 of our 2018 Annual Report.</p> <p>For further information on our charitable activities please see page 25 of our 2018 Annual Report.</p>
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<p>Embed effective risk management, considering both opportunities and threats, throughout the organisation</p>	<p>The Board, which is ultimately responsible for overseeing the effective management of risk, has delegated oversight of risk management and internal controls to the Audit Committee.</p> <p>A risk management framework is in place which sets out how the risks facing the Group are to be assessed and monitored. The strategic risks faced by the Group, and mitigating actions in place, are recorded in a Group level risk register, which is reviewed by members of the senior management team and the Audit Committee.</p> <p>The effectiveness of the risk management and internal controls systems is reviewed annually by the Audit Committee. This review is supported by a number of sources of internal assurance from within the Eddie Stobart business including the work done by the Health, Safety, Quality & Assurance team and presentations by senior management on risk areas. BDO LLP were appointed during 2018 to provide internal audit service. Their work contributes to this assurance process. During the 2018 financial year BDO LLP has conducted internal audits in relation to a number of business and control areas across the group, including financial controls, IT controls and cybersecurity, certain human resources processes and compliance with specific legal and regulatory obligations. Action plans are drawn up by management and presented to the Audit Committee in response to any issues identified in such audits.</p>	<p>Please see the Risk Management and Principal Risks section of our 2018 Annual Report on pages 26 and 27 and the Company's Admission Document.</p>

Maintain A Dynamic Management Framework

<p>Maintain the Board as a well-functioning, balanced team led by the chair</p>	<p>The Board comprises two executive Directors and three independent non-executive Directors, being the non-executive Chairman and two other non-executive Directors. Damien Harte, Chief Financial Officer, will retire from the Board on 31 March 2019 due to family health reasons. Anoop Kang has been appointed Chief Financial Officer with effect from 1 April 2019.</p> <p>Anoop Kang brings to the Board extensive financial and investor relations experience gained in listed companies. He was most recently the Chief Financial Officer of Cambian Group plc and previously held a number of senior financial positions at Keir Group plc and Balfour Beatty plc. Anoop is a Chartered Accountant.</p> <p>The Directors at the date of this report believe the Board has, and will continue to have following the retirement of Damien Harte and the appointment of Anoop Kang, an appropriate mix of skills and experience to provide strong and effective leadership.</p> <p>The Chairman fosters a collegiate atmosphere at Board meetings that supports wide-ranging discussion and constructive challenge of the executive team. The time commitment expected of the non-executive Directors is commensurate with the size and complexity of a listed company and as necessary to properly perform their duties. The letters of appointment can be inspected at the Company's registered office.</p> <p>There is a clearly documented division between the executive role of the Chief Executive and the non-executive role of the Chairman which is available on our website.</p>	<p>Please see the Board section of our 2018 Annual Report on pages 31 and 32, which sets out further information about the Board's activities including number of board meetings attended by Directors.</p> <p>These documents are available here.</p>
<p>Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities</p>	<p>The Directors bring a wealth of commercial and financial expertise to the Board from a variety of backgrounds. The mix of experience, skills and capabilities is reviewed annually as part of the Board evaluation process.</p>	<p>Please see the biographies of our Directors and the Board section on pages 28 and 29 of our 2018 Annual Report for further information on the skill and experience of our Directors as at 28 March 2019.</p>

	<p>The process for selecting any new directors would be led by the Chairman and would be a matter for consideration by the whole Board. Analysis of any additional skills and experience that could benefit the way the Board operates would be part of the process of determining the criteria for selecting any new director. Board members were closely involved in the process for the selection and appointment of Anoop Kang, the newly appointed Chief Financial Officer.</p> <p>All Directors are able to take independent professional advice if necessary and have direct access to advice from the Company Secretary who supports the Board and each of its Committees.</p> <p>Each Director is aware of the importance of keeping their skills and capabilities up to date. The Company Secretary provides briefings on developments in corporate governance and the regulatory framework and executive management provides reports on industry-specific updates. The Nomad and other external advisers all serve to strengthen the development of skills by providing guidance and updates as required.</p>	<p>Please see page 31 for information about Anoop Kang's skills and experience.</p>
<p>Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement</p>	<p>The Board recognises the value of regular performance evaluations. In the financial year ended 30 November 2018 an evaluation was undertaken based on a series of questions prepared by the Company Secretary. The questionnaire sought specific feedback on progress in addressing the areas of focus identified for the 2018 financial year being succession planning and additional site visits to assist in maintaining focus on the Group's strategy as its operations expand. It was concluded that progress is being and that focus on these areas should continue. The board evaluation confirmed that the Board continues to operate effectively and the Board agreed additional areas of focus for the 2019 financial year including streamlining management reporting in certain areas and diversity and opportunity initiatives.</p>	<p>For further information, please see the Board section of our 2018 Annual Report on page 32.</p>
<p>Promote a corporate culture that is based</p>	<p>We adopted our 'core values' in 2018, following extensive engagement with employees. Our values, which are</p>	<p>Please see the People section of our 2019 Annual Report on page 23 and the</p>

<p>on ethical values and behaviours</p>	<p>widely publicised within our business, are: openness and honesty, trust and respect, integrity, compassion and fun.</p> <p>We ensure our policies and processes provide clear guidance to all employees and have a Code of Conduct which explains our ethical standards as an organisation and how we expect our employees and suppliers to behave.</p> <p>We have a whistleblowing policy providing guidance so employees know they can raise any concerns about possible wrongdoing.</p> <p>Feedback from all stakeholders, as described in relation to principle 3, allows the Board to monitor the Company's corporate culture, as well as its ethical values and behaviours.</p>	<p>corporate social responsibility section on pages 24 and 25.</p>
<p>Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board</p>	<p>One of the principal responsibilities of the Chairman is the effectiveness of our governance, including the effective operation of the Board and ensuring it plays a constructive role in the development of our strategy and objectives.</p> <p>The Board meets in accordance with a scheduled meeting calendar and there is a formal document setting out matters reserved for approval by the Board (which is available on our website). Board papers are distributed prior to each meeting and any actions arising from the meeting are documented and progress reported at the next Board meeting. The Board has established an audit committee and a remuneration committee and has formally delegated specified responsibilities to those committees. The terms of reference of those committees are available on our website.</p> <p>The Board has determined that it is not appropriate to establish a Nomination Committee given the size of the Board.</p> <p>There is a documented delegation of authorities for the executive team to assist in ensuring all members of management understand the level of their authority when making financial and non-financial decisions.</p>	<p>Please see the Board section of our 2018 Annual Report on pages 31 and 32.</p> <p>The matters reserved to the Board document is available on our website here.</p> <p>The terms of reference of the Audit Committee and Remuneration Committee are available on our website here.</p>

Build Trust

Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board communicates with shareholders and other stakeholders about governance and performance through the Annual Report and Accounts and full year and half year results announcements and at our Annual General Meeting and meetings with existing and potential institutional investors. We also make stock exchange announcements to provide trading updates and issue press releases about significant developments within the business including new contract wins.

Our 2018 Annual Report and Accounts (which contain the Directors' remuneration report and the independent auditor's report), results announcements are available on the investor relations page of our website.

Notice of our 2019 annual general meeting is available on our website [here](#). Results of voting at that meeting will be available on our website when appropriate.

Please see pages 31 and 33-35 of our 2018 [Annual Report](#) and for further information on our Board committees and the work they do.