

## Statement 2018

Good corporate governance is key to ensuring effective decision-making and that the Company is managed for the long-term benefit of shareholders. The breadth of experience of the Directors enables the Board to discharge its responsibility to provide strong and effective stewardship.

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
<b>DELIVER GROWTH</b>		
<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 generates long-term value for shareholders. We have made progress towards achieving our growth strategy by:</p> <ul style="list-style-type: none"> <li>• Organic growth and increasing market share;</li> <li>• Targeted acquisitions; and</li> <li>• Investment in technology and systems</li> </ul> <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 by carrying loads for multiple customers in one vehicle and manage movements by using state of the art technology to minimise empty miles. We offer dedicated and multi-user warehousing facilities, e-commerce fulfilment services and returns management. We also offer express business to business freight services and have recently acquired a pallet network service provider.</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>For further information on our strategy and business model, please see the strategy and operating model section of our 2017 Annual Report pages 4-9.</p> <p>For further information on the key challenges facing the Company and how those challenges are being addressed please see the risk management and principal risks’ section of our 2017 Annual Report pages 26-27 and the Company’s Admission Document.</p> <p>For further information on the activities of the Board, please see the Board section of our 2017 Annual Report pages 31-32.</p>

<p>Seek to understand and meet shareholder needs and expectations</p>	<p>We keep up to date with the views of our shareholders through frequent dialogue and meetings with key investors and by responding promptly to any questions or issues raised by shareholders. Engagement with shareholders is primarily undertaken by the Chief Executive and the Chief Financial Officer (although the Chairman is available to meet investors if requested) who can be contacted via the Company's PR advisers, FTI Consulting, on 020 3727 1340</p> <p>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>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>Please see the engagement with stakeholders section of our 2017 Annual Report on page 37.</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.</p> <p>Protecting the health, safety and wellbeing of our employees, those who 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. The Board receives regular reports on accident frequency rates and types of injuries.</p> <p>We obtain employee feedback via a monthly driver and warehouse representative's forum and hold a national annual meeting for all Eddie Stobart drivers and warehouse representatives.</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>Our corporate charity is 'When you wish upon a star' a charity with the mission of</p>	<p>Please see the corporate social responsibility section of our 2017 Annual Report on pages 24 and 25.</p> <p>For further information on our employee engagement please see pages 21 and 36 of our 2017 Annual Report.</p>

	<p>granting the wishes of children living with life threatening illnesses. Our employees get directly involved in events to raise money to organise treats and special events for sick children.</p> <p>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>In the past year we have:</p> <ul style="list-style-type: none"> <li>• Reviewed and updated our Modern Slavery Statement</li> <li>• Updated our core values statement;</li> <li>• Published out tax strategy</li> <li>• Commenced a review of our website which will help closer engagement with stakeholders</li> </ul>	
<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 and a robust and detailed assessment of the risks facing the Group is undertaken by the senior management team in line with that framework. A Group level risk register, recording the risk and mitigating factors and actions in place for each risk, is regularly reviewed by the senior management team and submitted to the Audit Committee in line with the risk management framework.</p> <p>The work done in relation to risk management in the 2017 financial year enhanced the Board's understanding of the risks the Group faces and ensures that Board decision-making is supported by the right discussions and considerations.</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 and Assurance team and presentations by senior management on risk areas. BDO LLP were appointed during 2018 to provide internal audit services and going forward their work will contribute to this assurance process.</p>	<p>Please see the risk management and principal risks section of our 2017 Annual Report on pages 26-27 and the Company's Admission Document.</p>

**MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK**

Maintain the board as a well-functioning, balanced team led by the chair

The Board comprises two executive Directors and three independent non-executive Directors, being the non-executive Chairman and two other non-executive Directors. There is a clearly documented division between the executive role of the Chief Executive and the non-executive role of the Chairman.

The Directors believe that as a Board they have an appropriate mix of skills and experience to provide strong and effective leadership to the business. 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.

Please see the Board section of our 2017 Annual Report on pages 31-32, which sets out further information about the Board's activities including number of Board meetings attended by Directors.

Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

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.

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.

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.

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 Nominated Advisor and other external advisers all serve to strengthen the development of skills by providing guidance and updates as required.

Please see the biographies of our Directors and the Board section of our 2017 Annual Report for further information on the skill and experience of our Directors on pages 30- 31.

<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 2017 an evaluation was undertaken based on a series of questions prepared by the Company Secretary and the results confirmed that the Board is operating effectively.</p> <p>The Directors agreed on areas of focus for the current financial year, to include succession planning and additional site visits to assist in maintaining focus on the Group's strategy as its operations expand. Progress is being made in increasing Board focus on these areas.</p>	<p>For further information, please see the Board section of our 2017 Annual Report on page 32 and the people section of our 2017 Annual Report on page 20.</p>
<p>Promote a corporate culture that is based on ethical values and behaviours</p>	<p>We adopted our 'core values', following extensive engagement with employees. Our values, which are 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>Please see the corporate social responsibility section of our 2017 Annual Report on page 24.</p>
<p>Maintain governance structures and processes that are fit for purpose and support good decision-making by the board</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).</p> <p>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.</p> <p>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>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 2017 Annual Report on pages 31 and 32.</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 2017 Annual Report and Accounts (which contain the Directors' Remuneration Report and the Independent auditor's report), results announcements, notice of our 2017 annual general meetings and results of voting at that meetings are available on the Investor Relations page of our website.

Please see pages 31-35 of our 2017 Annual Report and for further information on our Board committees and the work they do.

This corporate governance disclosure was reviewed on 26 September 2018.