

Eddie Stobart Logistics plc

The Board:

- approves the strategy for ESL and its subsidiaries (the ESL Group) and the plans presented by management for the achievement of its strategic objectives;
- determines the nature and extent of the risks it is willing to take in achieving those strategic objectives; and
- is responsible for ensuring maintenance of sound risk management and internal control system.

Implementation of the strategy set by the Board and the management and day-to-day running of Eddie Stobart Logistics plc is delegated to the Chief Executive, with the exception of the matters reserved to the Board listed below which require Board approval.

Matters reserved to the Board

1. Structure and Capital

1.1 Changes relating to capital structure including reduction of capital, share issues (except under employee share plans), share buy backs and creation of any new class of security.

1.2 Any new loan facilities or borrowings (other than under existing facilities) or issue of any debt security or instrument.

1.3 The granting of any security over any shares or assets of any Group Company.

1.4 Any changes to ESL's listing or its status as a plc.

1.5 Approval of significant Group reorganisations or restructurings

1.6 Entering into any material contingent liability eg guarantee or letter of comfort or support, other than in the ordinary course of business.

2. Strategy and Management

2.1 Approval of the ESL Group strategy and annual budget.

2.2 Undertaking any material new business activity or development into new geographic areas or ceasing any material part of the Group's business, other than in line with approved strategy.

2.3 Acquisitions and disposals of companies, businesses or assets (including shares and any interest in or rights relating to, shares (including entering into derivative contracts, options or other similar arrangements), other than acquisitions and disposals of assets in the ordinary course of business up to a limit of £5million per transaction or series of related transactions.

2.4 Unbudgeted capital expenditure in excess of £1 million per transaction or series of related transactions and budgeted capital expenditure in excess of £3million per transaction or series of related transactions.

2.5 Other expenditure (whether relating to leases or acquisitions of properties, assets, investment commitments or otherwise) as follows;

- Budgeted expenditure in excess of £3 million per annum or £30 million over the life of the contract or series of related contracts; and
- Unbudgeted expenditure in excess of £1 million per annum or £5 million over the life of the contract or series of related contracts.

2.6 Entry into new (and extension of existing) contracts with contracted revenue in excess of £10 million per annum or £50 million over the life of the contract (which shall include any extension as a result of which the contracted revenue, whether for the extension period alone or when taken together with the contracted revenue in previous contract periods, exceeds either of these thresholds).

3. Communication.

3.3 Announcements or press releases concerning matters reserved to the Board and of all documentation sent to shareholders (including any announcement made as required by the Takeover Code).

4. Disputes and Litigation

4.1 The strategy to be adopted in relation to material disputes and/or litigation involving or likely to involve sums of over £1 million .

5. Other

5.1 Appointment of the Group's principal investment banking professional advisers and brokers.

5.2 The overall levels of insurance for the Group including directors' & officers' liability insurance and indemnification of directors.

5.3 The establishment or cessation of pension schemes and material changes to the rules, funding or management arrangements of any such pension schemes.

5.4 Any other matter for which Board or Board Committee approval is required under law, regulation (including listing rules), applicable corporate governance code, finance agreement or terms of reference of the relevant Committee.¹

As approved by the Board on [5 April 2018]

¹ Where Committee terms of reference have been approved by the Board, the approval of that Committee given as required by those terms of reference shall be considered a Board approval for the purposes of the Matters Reserved to the Board.