

Chairman's corporate governance statement

As the Company begins a new era as an AIM investment company, its governance will evolve to recognise the new role of the Board and to support good business practices in the way the Company makes and monitors its investment decisions.

As Chairman one of my key responsibilities is supporting and promoting the evolution of this governance framework to ensure it supports the successful achievement of the Company's new strategy. By which I mean making sure we have in place practices and endorse behaviours that support the Company in setting and reviewing its strategy, monitoring its performance and that of the investment manager, understanding its risks and opportunities, and taking decisive action at the right time based on the right information.

The culture we promote at Board level and within the businesses the Company invests in will be key to this success. This Board is committed to upholding high ethical standards that set the tone for how we expect the companies we invest in to do business.

The Directors acknowledge the importance of high standards of corporate governance. The Directors intend to continue to adhere to the QCA Corporate Governance Code which sets out a standard of minimum best practice for small and mid-sized companies, particularly AIM companies. As we move forward and our governance evolves we will continue to be open and transparent about how we manage our business and how we take into account the interests of our shareholders and other stakeholders.

Further information about the work of the Board, Audit Committee and Remuneration Committee in 2020 is set out on pages 13 to 20 of the 2020 Annual Report and Financial Statements ('2020 Annual Report').

Adrian Collins
Chairman

QCA principle	How we comply	Where to find more information
<p>Deliver Growth</p>		
<p>Principle 1: Establish a strategy and business model which promote long-term value for shareholders</p>	<p>The Board's role is to approve the Company's strategy and oversees progress towards its strategic objectives.</p> <p>The Company's strategy in the 2020 financial year was to progress towards becoming an investing company following the transaction with DBAY. The operating model in 2020 that underpinned the Company's strategy is described on pages x of the 2020 Annual Report.</p> <p>The challenges the Company faced during 2019 and the acquisition by DouglasBay Capital III Fund LP, a fund managed by BAY Advisors Limited of an indirect 51% equity stake in Greenwhitestar Acquisitions Limited ("GWSA"), the holding company of the Eddie Stobart trading entities (including Eddie Stobart Limited, iForce Group Limited and The Pallet Network) have been described in announcements by the Company and in the circular to shareholders in November 2019. Please also see the 2019 annual report for a description of this transaction, referred to in the annual report and this statement as the 'DBAY transaction.'</p>	<p>For further information on our business model and strategy, please see the operating model and strategy sections of our 2020 Annual Report on pages 3-7. Our 2020 Annual report is available on our website at www.ldgplc.com.</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 2020 Annual Report on pages 8 and 9.</p> <p>For further information on the activities of the Board, please see the Board section of our 2020 Annual Report on pages 13-15.</p>

	<p>As a result of the DBAY transaction, the Company's equity interest in the GWSA trading entities was reduced from 100% to 49%.</p> <p>Following completion of the DBAY transaction, the Company became a 'cash shell' pursuant to the AIM Rules for Companies (the "AIM Rules") and therefore, in order to remain quoted on AIM, was required, inter alia, to complete an acquisition or acquisitions constituting a reverse takeover. For the purposes of this requirement, becoming an investment company (which entails raising a minimum of £6 million in cash via an equity fundraising and publishing an admission document) is treated as a reverse takeover. This conversion to an AIM investment company was completed prior to 9 December 2020 in order to avoid the Company's shares being suspended from trading on AIM.</p> <p>The Board has developed an investment strategy. In line with this strategy the Company would seek to invest in opportunities in the logistics sector alongside its current investment in the GWSA business.</p> <p>£14.5m net proceeds were raised via a placing, subscription and open offer. The name of the Company was changed to Logistics Development Group plc in line with the Company's new focus.</p> <p>Please see pages 3-7 of the 2020 Annual Report for further information.</p>	
<p>Principle 2: Seek to understand and meet shareholder needs and expectations</p>	<p>Effective communication with investors is an important part of the Board's role. During the 2020 financial year, the Board focused in particular on speaking to investors and potential investors as to the new direction of the Company as an investing company.</p> <p>The Board continues to be committed to giving shareholders the opportunity to raise questions and to interact with the Directors. Directors meet with investors on request and shareholders generally have the opportunity to raise matters at the Annual General Meeting. Unfortunately, due to the impact of the COVID-19 pandemic, the Board was unable to invite shareholders to attend this year's Annual General Meeting (which the Company was legally obliged to hold before the end of May). Shareholders were invited to raise any questions by email and the results of voting at the AGM have been posted on our website.</p> <p>As the Company does not currently have any operations, stakeholder feedback is gathered by the Company through interaction with shareholders. The Board's engagement policy is to keep up to date with the views of our</p>	<p>Please see the shareholder engagement section of our 2020 Annual Report on page 14.</p>

	<p>shareholders by frequent dialogue and meetings with key investors and 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 company.secretary@ldgplc.com. Available 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>Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success</p>	<p>The Board was during 2020, and remains, committed to conducting business in a responsible and ethical way.</p> <p>The Board was during 2020, and remains, committed to preventing modern slavery and human trafficking. As the Company's investment strategy is progressed, the Board will support initiatives in this areas in the businesses in which it invests. Our Modern Slavery Act statement is available on our website.</p>	<p>For further information on employee engagement please see page 21 of our 2020 Annual Report</p>
<p>Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation</p>	<p>The Board is ultimately responsible for setting the Group's risk appetite and overseeing the effective management of risk. The Board has delegated oversight of risk management and internal controls to the Audit Committee.</p>	<p>Please see the Risk Management and Principal Risks section of our 2020 Annual Report on pages 3 - 9 and the Internal controls section of our 2020 Annual report on page 17.</p>

	<p>In its current form with no operation and no executive team, the principal risks faced by the Company differ from those faced during the 2019 financial year when the Company was the owner of 100 per cent of the Eddie Stobart operating business. The risk management framework has been updated to reflect the differing nature of the principal risks faced by the Company. These risks are considered by the Directors as part of the strategic debate at each Board meeting.</p> <p>The effectiveness of the risk management and internal controls systems is reviewed annually by the Audit Committee.</p> <p>The Board had delegated responsibility for reviewing the effectiveness of the Group's systems of internal control and oversight of its risk management system in 2020 to the Audit Committee.</p> <p>As the Company does not have an operating business or any employees (as described on page 12 of the 2020 Annual Report) in light of this structure the Audit Committee has determined that it is not currently appropriate for the Company to engage an internal auditor in respect of the Company's internal controls. This decision will be regularly reviewed. The Committee recognises that if the Company succeeds in converting to an AIM investment company, it is likely to be appropriate for the Company to seek additional assurance about the Company's own internal control system and those of any material third party provider of services to the Company and also to seek information and assurance about the internal control and risk management system of any investee company.</p>	
<p>Maintain a dynamic management framework</p>		
<p>Principle 5: Maintain the Board as a well-functioning, balanced team led by the chair</p>	<p>During 2020 the Board comprised three non-executive Directors, being the non-executive Chairman and two other non-executive Directors. Two out of the three directors are considered to be independent.</p> <p>On 1 April 2021, a fourth non-executive director joined the board who is considered to be independent taking the total to three.</p> <p>The Board regularly considered the appropriate mix of skills and experience needed to provide strong and effective leadership and these matters</p>	<p>Please see the Board section of our 2020 Annual Report on pages 13 – 15, which sets out further information about the Board's roles and activities in 2020.</p> <p>Information about the skills and experience of Board members is set out on page 10 the 2020 Annual Report.</p>

	<p>were taken into account in relation to board level changes.</p> <p>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>Since the Company no executive directors, the Company has published a description of the role of its Chairman on its website.</p>	<p>These documents are available at www.ldgplc.com</p>
<p>Principle 6: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities</p>	<p>The Non-executive 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>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 Nominated Adviser and other external advisers all serve to strengthen the development of skills by providing guidance and updates as required.</p>	<p>Please see the biographies of our Directors and the Board section on pages 10 – 15 of our 2020 Annual Report for further information on the skills and experience of our Directors.</p>
<p>Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement</p>	<p>The Board recognises the value of regular performance evaluations</p> <p>In the light of recent changes to the Board and the Company's status and new strategy the Board agreed that an externally facilitated evaluation process would be of limited value this year and that an internal interview-based evaluation process should be conducted using a questionnaire based approach.</p> <p>In addition to a review of the 2019 financial year, the evaluation process focused on identifying the skills, experience and personal characteristics needed for the Board to operate successfully in this new era for the Company and the governance structure that would best support effective decision-making going forward. The questionnaire covered a range of factors relevant to the effectiveness of the Board and its Committees including size, skills and experience, focus on strategy and quality of information.</p>	<p>For further information, please see the Board section of our 2020 Annual Report on page 15.</p>

	<p>The evaluation found that overall the Board was felt to have confronted the major challenges faced by the Company in 2019, acted decisively, with contributions from advisors, to seek to protect the interests of shareholders and other stakeholders and worked constructively with external auditors to ensure the accounting related matters which impacted the 2019 and prior years' results were properly addressed. It was also concluded that the Board and its committees have the right mix of skills and experience to operate effectively going forward. The assessment of views and suggested actions from the evaluation will be considered further and taken forward by the new Chairman.</p>	
<p>Principle 8: Promote a corporate culture that is based on ethical values and behaviours</p>	<p>The culture promoted at Board level and within the businesses the Company invests in will be key to the success of the Company's new strategy to become an investment company. This Board is committed to upholding high ethical standards that set the tone for how we expect the companies we invest in to do business</p> <p>As the Company does not currently have any operations, the Company's corporate culture is set at Board level.</p> <p>Feedback from 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>Principle 9: 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 governance, including the effective operation of the Board and ensuring it plays a constructive role in the development of the Company's strategy and objectives.</p> <p>The Board meets in accordance with a scheduled meeting calendar. During 2019 there was a formal document setting out matters reserved for approval by the Board however since the Company no longer has an executive management team or any employees, this has been replaced by a description of the role of 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 had established an audit committee and a remuneration committee and has formally delegated specified responsibilities to those committees. These terms of reference of these committees (which are available on our website) have been updated to reflect the evolving governance structure of the Company.</p>	<p>Please see the Board section of our 2020 Annual Report on pages 10, 13-15.</p> <p>A description of the role of the Board and its committees is set on page 13-15 of our 2020 Annual Report. A more detailed description of the role of the Board is available on our website at www.ldgplc.com</p> <p>The terms of reference of the Audit Committee and Remuneration Committee are available on our website at www.ldgplc.com</p>

	The Board has determined that it is not appropriate to establish a Nomination Committee given the size of the Board.	
Build Trust		
Principle 10: 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. Stock exchange announcements to provide trading updates and issue press releases about significant developments within the business including new contract wins.	Our 2020 Annual Report (which contain a remuneration report and the independent auditor's report and our results announcements are available on our website. Results of voting at the 2020 annual general meeting are available on our website Please see pages 21 and 22 our 2020 Annual Report at www.ldgplc.com