



Policy and Scope

For the year ended 31 December 2020, under The Companies (Miscellaneous Reporting) Regulations 2018, Gist Ltd complied with the Wates Corporate Reporting Principles for Large Private Companies, published by the Financial Reporting Council in December 2018 and available on the FRC website. Gist Ltd (the "company"), is a subsidiary of its ultimate parent undertaking, Linde plc, and as such, elements of its corporate governance framework are set and managed by Linde plc.

The company is managed by its statutory directors (together the "Board") and a senior leadership team, which is comprised of members of the company's senior management and the company's Board ("Senior Leadership Team"). Gist's corporate governance arrangements are managed by the Senior Leadership Team.

Gist Ltd Corporate Governance Statement for the Year Ended 31 December 2020

Company number: 00502669

Gist Group Corporate Governance

We have set out below how Gist Ltd has complied with the principles over the past financial year and highlighted where we follow the Linde group corporate governance framework.

Principle 1 – Purpose and Leadership

The key strategic focus of the Senior Leadership Team during 2020 was to provide oversight, leadership and support in navigating the impact of, and response to, the Covid-19 pandemic.

This included interaction with government and industry bodies to ensure all regulatory requirements were understood. Close and frequent liaison with key customers to adapt our processes and ways of working to ensure continuity of service. Rapid development and implementation of a comprehensive Covid-19 framework to ensure policies, procedures, communication, monitoring, reporting and employee support were in place.

Robust health and safety protocols were implemented and monitored across all sites, with mobilisation of remote working where possible.

Following the closure to further accrual of the Gist Limited Pension Scheme ("GLPS") on 30 June 2019, the Board and the Senior Leadership Team agreed during 2020 that the GLPS scheme would be merged with the BOC Pensions Scheme ("BOCPS").

Following a comprehensive communication programme with employees, the transfer of the GLPS scheme was completed on 1 October 2020.

Affected current employees and former employees received a communication package explaining the process and benefits through a newsletter, FAQs and access to a supporting website. Upon completion, all former GLPS members' benefits are now available through BOCPS.

Following a change in Board leadership in July 2020, the Board began the process of reviewing the strategic and cultural direction of the business. The Senior Leadership Team subsequently initiated a programme of transformation to align itself more closely with its stakeholder requirements and expectations. The transformation activity was underpinned by a clear statement of direction, and included a re-set of the supporting culture and ways of working to ensure that the business and its employees are structured and resourced with the appropriate skills and experience.

The Senior Leadership Team believes the cultural change is supported by the 'tone at the top', and as such, a new vision and values were also developed during the latter half of 2020 and formally launched in early 2021.

Gist's vision "To deliver industry leading logistics and supply chain transformation for the benefit of our customers and shareholders", is supported by new values and behaviours, whereby the Gist business and its employees aim to be: "Progressive – we innovate and deliver change to make us better"; "Accountable – we take responsibility for delivering exceptional performance"; "Collaborative – we work in partnership to achieve winning outcomes"; and "Ethical – we consistently do the right thing". The vision, values and supporting behaviours is managed and operated across the Gist group of companies.

Directors have regular dialogue and receive feedback from its ultimate parent company, Linde plc. In addition, employee engagement includes regular communication cascades, group briefings, trade union engagement and employee engagement surveys. A review of feedback ensures that the Senior Leadership Team monitors the continued visibility and understanding of the purpose, direction and culture of the business.

Principle 2 – Board Composition

During first half of 2020, Gist Board consisted of Chief Executive Officer (CEO), Chief Operating Officer (COO) and Finance Director. Following the retirement of the CEO in July 2020 and the Finance Director in October 2020, the COO was appointed to the position of CEO and the Head of Finance was appointed to the position of Finance Director.

The Senior Leadership Team is responsible for the management of the Gist group of companies, and for ensuring that the group and company strategies are rolled out and implemented successfully. Following the appointment of a new CEO, a review and subsequent restructure of the existing Senior Leadership Team took place, with the introduction of additional roles, Head of Safety and Risk, and Business Transformation Director, to support the strategic direction and priorities of the business.

The Senior Leadership Team consists of the Chief Executive Officer, Finance Director and supported by Functional Directors, Operational Directors, Head of Safety and Risk, and the Business Transformation Director. The size and composition of the Senior Leadership Team is considered appropriate given the nature of the company and its position within the Linde Group.

There are no independent non-executive directors within the Senior Leadership Team. However, given that the company is a non-core business and subsidiary of Linde plc, we believe there is a sufficient level of independent challenge and rigorous review by the parent company and external experts, where relevant, over the company's strategy, approach and decision making process.

The Senior Leadership Team has collective responsibility for developing an Environmental strategy, and driving positive change through our Environmental business objective. We are working in partnership with our key customers to reduce vehicle emissions and promote sustainability.

The Senior Leadership Team remains committed to making the company an ever-more inclusive environment which should increase diversity over time at the most senior levels.

For all Board meetings, a chair is elected at the start of each meeting and formal procedures followed with respect to procedures, papers and approvals in line with best practice and Companies Act requirements.

Senior Leadership Team meetings are chaired by the CEO and provide a constructive forum for ensuring that members are informed of business issues and risks, provided with oversight across operational areas and are able to make informed decisions in a timely manner.

Directors update their skills, knowledge and familiarity with all operational, legal and regulatory requirements through briefings from functional heads and subject matter experts and attend training as required.

Principle 3 – Directors responsibilities

Each member of the Senior Leadership Team has a clear understanding of their accountabilities and responsibilities. Newly appointed directors are briefed on their specific responsibilities, and are mentored and supported by existing members.

Board meetings are held as and when required to meet all statutory legal obligations.

The Senior Leadership Team has scheduled regular weekly meetings, plus ad-hoc additional sessions for strategic planning and other focus areas.

The Senior Leadership Team receives regular reports, which are reviewed as part of the standing agenda, and includes key commercial and operational performance reporting, financial, safety information and KPIs. As part of the weekly meeting, the Senior Leadership Team reviews all key aspects of the business including people and other areas of strategic importance.

Principle 4 – Opportunity and Risk

The Board seeks new business opportunities whilst mitigating risk.

Opportunity

Long term strategic opportunities are captured as part of the annual Gist group strategic planning process which is presented to Linde.

Short term opportunities are captured through quarterly business reviews and monthly performance reviews which are attended by the senior team from each of the company's operational business areas.

Risk

Support is currently provided to the Senior Leadership Team by the Risk management department within the Linde plc group. Principle risks, impact and associated mitigating actions are reviewed on a quarterly basis and submitted through the Linde risk management system.

The company's principal risk and mitigations are outlined in the strategic report. A list of emerging risks are managed by the CEO. An emerging risk is included on the principal risk register once its likelihood and impact of occurrence becomes material to the Gist group.

The Internal Control Framework covers all delegations of authorities; policies, processes, procedures and structures within Gist that assists management and ultimately the Senior Leadership Team, to ensure that Gist's business is conducted ethically; the company's assets, including its people and brand are safeguarded; its financial reporting is materially correct and the company is compliant with all applicable laws and regulations.

As part of the transformation strategy, a review of services provided by our central support functions was completed, and use of an independent internal audit function was replaced by a Self-Assessment Operational Audit Model. Accountability for our operational standards and ongoing monitoring of compliance against our information management system ("IMS") protocol rests within the operational reporting line, with senior operational subject matter experts responsible for ensuring the IMS reflects the latest Gist standards and

regulatory requirements. Monitoring of the effectiveness, and implementation of the Self-Assessment Audit Model is supported by a central Audit Manager.

Comprehensive and detailed financial reporting and KPI variance analysis is carried out, with weekly reviews by the Senior Leadership Team, supporting prompt and reactive decision making.

Principle 5 – Remuneration

The remuneration framework is set by the Compensation Committee, Linde plc and can be reviewed under:

<https://www.linde.com/-/media/linde/merger/documents/corporate-governance/compensation-committee-charter.pdf>

The remuneration of the company's CEO (including all salary, bonus and other benefits) are approved by Linde plc, in line with compensation policy. The remuneration of the company's directors are disclosed in the notes to the financial statements.

All directors have service contracts with the company which are terminated within three or six months (dependant on date of joining) by either party.

The company operates an equitable and consistent approach to remuneration for all Gist employees, including directors, within the parameters established by the remuneration framework set by Linde plc.

Pay rates are competitive for our industry, and benefits are broadly consistent across the different businesses and Gist entities.

Management grades (including directors) are banded according to Linde policy, with benchmarking carried out on an annual basis across management grades and roles to ensure that the company is able to make competitive offerings to new employees and to retain existing employees. Employees in non-management roles are largely employed on contracts with spot rates that removes a variance in gender pay and ensures pay rates in line with our industry.

The Senior Leadership Team reviews and signs off pay awards for both management and non-management grades on an annual basis.

Short and long-term bonus schemes are set by Linde plc, and clearly linked to Gist's performance, key KPIs and standards.

Details of our annual gender pay gap report are published on our website: www.gistworld.com

Principle 6 – Stakeholder relationships and engagement

The Senior Leadership Team recognises the impact its decisions can have on its internal and external stakeholders and understand the importance of engagement with its stakeholders.

Further information on the company's stakeholders and its engagement methods can be found under the S172 section in the Strategic Report, published on our website: www.gistworld.com