



## Policy and Scope

For the year ended 31 December 2019, under The Companies (Miscellaneous Reporting) Regulations 2019, Gist Limited broadly complies 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 Limited, is a subsidiary of Linde plc Group, and as such, elements of its corporate governance framework are set and managed by Linde plc.

During 2020, Gist Limited applied the Wates Corporate Reporting Principles for Large Private Companies as its corporate code.

Each entity within the Gist group, including Gist Limited, has statutory board members in place to comply with each entities required statutory duties.

The Gist group, including Gist Limited, is overseen by a Management Board (the 'Board'). Gist's corporate governance arrangements are managed by the Board and these apply collectively across all the entities within the Gist Group.

# Gist Ltd Corporate Governance Statement for the Year Ended 31 December 2019

**Company number: 00502669**

## Gist Group Corporate Governance

We have set out below how the Board has broadly complied with the principles over the past financial year and highlighted where we follow the Linde plc Group corporate governance framework.

### Principle 1 – Purpose and Leadership

Our purpose and vision is to be our customer's first choice for logistics, innovation, excellence and partnership.

The Board believes that the 'tone at the top' drives the supporting culture throughout the organisation. The Gist group operates under a clear standard, which defines our vision, purpose and expected behaviours. Our standard sets out six key focus areas of, "Living the Code of Ethics", 'Involve', Safety, Winning People, Differentiating Values and Transforming Supply Chains ('Standard').

Our Standard is embedded in the way we do business, from selection, management and reward of our people, through to our regular top down communication and bottom-up feedback channels. The Standard is operated and managed across the Gist group.

A code of ethics, an anti-corruption policy and a programme of compliance training has been put in place by Linde plc and cascaded across all its entities and all employees are trained as part of their initial induction and receive refresher training.

The Board has regular dialogue and receive feedback from senior management of its ultimate parent company, Linde plc. Employee engagement occurs through the 'Involve' element of our Standard and includes regular communication cascades, group briefings, trade union engagement, employee engagement surveys and a subsequent review of feedback helps to ensure that the Board monitors the levels of visibility and understanding across the business of its purpose, direction and culture.

### Principle 2 – Board Composition

During 2019, the Gist Limited statutory board consists of the Chief Executive Officer, the Chief Operating Officer and the Finance Director.

The Board is responsible for setting and managing the strategy for the Gist Group. The Board is supported by functional directors and operational directors. The size and composition of the Board is considered appropriate given the nature of the company and its position within the Linde plc Group.

Board meetings are chaired by the CEO and provide a constructive forum to provide an update on business issues and risks, oversight across operational matters and make informed decisions.

There is a lack of independent non-executive directors within the Board and statutory board, However, given that Gist Limited is a non-core business and a subsidiary within the Linde plc Group, we believe there is a sufficient level of independent challenge and rigorous review by the parent company over the strategy, approach and decision making process within Gist Limited.

The Board remains committed to making Gist Limited an ever-more inclusive environment which should increase diversity over time at the most senior levels.

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

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 Board has a clear understanding of their accountabilities and responsibilities. New directors appointed to the Board are briefed on their specific responsibilities as a Board member, and are mentored and supported by existing Board members.

The statutory board meetings are held as required to meet statutory and legal obligations.

The Board has scheduled regular monthly meetings, plus ad-hoc additional days for strategic planning and other focus areas.

The Board receives a monthly report, as part of the monthly standing agenda which is reviewed, which includes key commercial and operational performance reporting, financial, safety information and KPIs. As part of the monthly meeting, the Board reviews all key aspects of the business including safety, business and operational performance, people and 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 an annual Gist group strategic planning process which is presented to Linde plc senior management and covers a three year period.

Short term opportunities are considered through quarterly Board business reviews, and monthly performance reviews which are attended by the senior team from each business.

#### **Risk**

Support is currently provided to the Board 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 Chief Operating Officer. An emerging risk is included on the principal risk register once its likelihood and impact of occurrence becomes material to the Gist group.

An internal control framework is embedded throughout Gist's operations and includes the delegation of authorities, processes, procedures and structures within Gist. These assist management and ultimately, the Board of Gist to achieve its objectives and that its business conduct is ethical and the company's assets, including its people and brand, are safeguarded. The framework also ensures that Gist's financial reporting is reliable and the company remains compliant with applicable laws and regulations.

Our internal audit team carries out a series of audits against our information management system protocol, to ensure a level of compliance over key safety and operational legal standards.

Comprehensive and detailed financial reporting and operational and financial KPI variance analysis is carried out, with weekly reviews at Board level.

### **Principle 5 – Remuneration**

The remuneration framework is set by Linde plc's compensation committee and the committee's charter can be viewed under:

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

Remuneration of company's CEO is set in line with Linde plc Group's compensation policy. Remuneration of the company's statutory directors is disclosed in the notes to the financial statements.

All statutory directors have employment contracts which are terminated within six or three months by either party.

Gist group operates an equitable and consistent approach to director and employee remuneration, within the parameters established by the remuneration framework set by Linde plc Group.

Pay rates are competitive for our industry and benefits are broadly consistent across the Gist group.

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 Gist is able to make competitive offerings to attract new, and to retain existing, employees. Employees in non-management roles are largely employed on contracts with standardised rates in line with our industry.

The Board reviews and seeks to approve pay awards for management and non-management grades on an annual basis.

Details of our annual gender pay gap report are published on our website under [www.gistworld.com](http://www.gistworld.com)

### **Principle 6 – Stakeholder relationships and engagement**

The Board recognises the impact its decisions can have on its internal and external stakeholders and understands 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](http://www.gistworld.com).