

S172 Statement – Logisnext Leasing UK Limited FY19

The Directors have prepared and provide this section 172 statement in accordance with the Companies Act 2006 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018). The statement outlines the ways in which the Directors have taken into consideration the matters set out in section 172 whilst undertaking their duties and making decisions on behalf of, and in the interest of the Company. The statement focuses on principal decisions made within the financial year (01 April 2019 – 31 March 2020), and the considerations made within the decision-making process in terms of the needs of different stakeholder groups, as well as the long-term consequences of decision and their contribution to promoting the ongoing success of the Company.

Principal Decision 1- Restructure of UK Senior Management Team (SMT)

The Board delegates responsibility for day-to-day management to the senior management team. The management and administrative processes within Logisnext Leasing UK Limited continue to be undertaken by employees of the parent company Logisnext UK Limited. Within the financial year (01 April 2019 – 31 March 2020), the current Managing Director/Finance Director Mark Gibb announced his retirement. The directors took into account the benefit of appointing two existing employees into these key roles to ensure a smooth transition, retaining company values, ethics and workplace culture.

The appointment of Chris Bates to Managing Director introduces a more operational perspective with a clear mandate to the increase number of units in operation under full maintenance agreements and to ensure subsidiary headcount supports operational demands and meets the performance expectations of the customer base. The appointment of Kathryn Holden to Finance Director, from her previous role as Finance Manager, as an established member of the team ensures the continuation of subsidiary culture, internal and external reporting, and relationship management with external stakeholders including external auditors and tax advisors. Communication of the restructure to all internal and external stakeholders was well received and no disruption to the business was noted.

The senior management team continues to meet weekly to discuss operational issues and monthly with a strategic focus. All locally made decisions are made in accordance with the Company's Articles of Association and are communicated with the Board and the Mitsubishi Logisnext Europe BV senior management team for review and oversight, and to ensure locally made decision are made in line with the group strategic direction. Monthly and quarterly meetings take place between the local senior management team and the group senior management team to support long-term decision making within the group. These are supported by the regular provision of local financial results, KPIs and forecasting data.

Principal Decision 2- Workplace reorganisation considering Covid-19.

The management and administrative processes of Logisnext Leasing UK Limited continue to be undertaken by employees of the parent company Logisnext UK Limited. The group considers the health and safety of our employees to be a business priority. The group maintains a positive workplace environment, conducive to long-term employee retention and development, along with a

high level of technical expertise within the industry. Managers are encouraged to foster strong, open relationships with their teams, allowing for a positive flow of communications in both directions. Employees are requested to take part in regular employee surveys to assist the group in gathering both positive and negative feedback from employees regarding their working environment and culture, and also identify areas for improvement and development.

On learning of the arrival of Covid-19 into the UK, and the potential risk of infection and health implications to our employees, the senior management team agreed the following steps in order to protect the welfare of all staff.

The senior management team took the decision to convert all employees to home working where possible in order to reduce the risk of cross contamination in the workplace. Close working with our Group IT function allowed a quick transition to remote working, whilst maintaining and strengthening the high level of IT security already in place. The consequence to date is that very few of our employees have contracted the virus and we have had no cases of cross contamination between co-workers. The Covid-19 guidance provided continue to be regularly reviewed and updated in line with Government guidance.

We have also worked closely with external stakeholders, including customers and suppliers, to ensure strict safety provisions are in place for external visitors to the office site, along with ensuring our employees have awareness and adhere to any restrictions introduced by our business partners.

External Stakeholders

The Company places a high degree of emphasis on the importance of developing and fostering positive relationships with our external stakeholders, including customers and suppliers. Assets purchased by Logisnext Leasing UK Limited are from Logisnext UK Limited, with agreed contract terms in place with Logisnext UK Limited customers. Logisnext Leasing UK Limited aims to develop positive relationships with the customers and to respond to and resolve any customer queries quickly with the support of the sales teams and rental leasing manager within Logisnext UK Limited.

Ethics & Compliance

As part of the larger Mitsubishi Heavy Industry group, the Board place great importance on the culture and ethical behaviour sponsored by the group, our ultimate parent company and their ultimate shareholders. Throughout an ongoing process of integration within the Mitsubishi Logisnext Europe group we have supported the integration of group policies, such as the Code of Conduct, and ensured that local policies and the employee handbook are regularly reviewed and updated to align with these. Training is provided to all employees around these topics, to ensure awareness and understanding of these topics, as well as knowledge of where to access further information. Corporate governance and internal control systems are regularly reviewed and developed, with this process underpinned by the group Internal Audit function.