

## **MATTERS RESERVED FOR THE BOARD**

### **Key:**

“**Audit**”, “**Nominations**” or “**Remuneration**” refer to the Company’s Board Committees which will consider the item and make recommendations to the Board for its final decision.

“**Board**” means the Board of Directors of Augean plc.

“**Board Committees**” means the Audit, Nominations and Remuneration committees of Augean plc.

“**Group**” means Augean plc and any subsidiary company as defined in section 1159 of the Companies Act 2006 and any other company which is a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company.

### **1. Strategy and Management**

- 1.1 Responsibility for the overall management of the Group.
- 1.2 Approval of the Group’s long term objectives, commercial strategy and business plan.
- 1.3 Approval of the annual operating and capital expenditure budgets and any material changes to them.
- 1.4 Oversight of the Group’s operations ensuring:
  - (a) Competent and prudent management;
  - (b) Sound planning;
  - (c) Maintenance of sound management and internal control systems;
  - (d) Adequate accounting and other records; and
  - (e) Compliance with statutory and regulatory obligations.
- 1.5 Review of performance in light of the Group’s strategy aims, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.6 Extension of the Group’s activities into new business or geographic areas.
- 1.7 Any decision to cease to operate all or any material part of the Group’s business.

### **2. Structure and Capital**

- 2.1 Changes relating to the Group’s capital structure including reduction of capital, share issues (except under employee share plans), and share buybacks including the use of treasury shares.

2.2 Major changes to the Group's corporate structure, including, but not limited to, acquisitions and disposals of shares which are material relative to the size of the Group (taking into account initial and deferred consideration).

2.3 Changes to the Group's management and control structure.

2.4 Any changes to the Company's listing or its status as a public limited company.

### **3. Financial Reporting and Controls**

3.1 Approval of the half-yearly report, interim management statements and any preliminary announcement of the final results, delegated to the Audit Committee.

3.2 Approval of the annual report and accounts, including the corporate governance statement, and remuneration report, delegated to the Audit Committee.

3.3 Approval of the dividend policy.

3.4 Declaration and announcement of any interim dividend and recommendation of the final dividend.

3.5 Approval of any significant changes in accounting policies or practices.

3.6 Approval of treasury policies.

3.7 Approval of material unbudgeted capital or operating expenditures (outside pre-determined tolerances).

### **4. Internal Controls**

4.1 Ensuring maintenance of a sound system of internal control and risk management, delegated to the Audit Committee, including:

- (a) Approval of the company/group risk appetite statements;
- (b) Receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives;
- (c) Approving procedures for the detection of fraud and the prevention of bribery;
- (d) Undertaking an annual assessment of these processes; and
- (e) Approving an appropriate statement for inclusion in the annual report.

### **5. Contracts**

5.1 Approval of major capital projects.

- 5.2 Contracts which are material strategically or by reason of size (i.e. expected to be greater than 5% of Group net sales revenue), to be entered into by any Group Company in the ordinary course of business, including any borrowings, acquisitions or disposals of fixed assets (including intangible assets such as intellectual property).
- 5.3 Tenders or Contracts to be entered into by any Group Company, not in the ordinary course of business or on other than normal commercial terms, or where the proposed contract value exceeds £1million, or where the business risk rating is higher than 23.
- 5.3 Major investments including the proposed acquisition or disposal of interests in more than 3% of the voting shares of any company, or on an equivalent basis for an asset purchase of a business, or the making of any takeover offer,.
- 5.4 Approval of all contracts with related parties, with the list of related parties being maintained by the Group Finance Director.
- 5.5 Any parent company guarantees to be entered into.

## **6. Communication**

- 6.1 Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.
- 6.2 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 6.3 Approval of all circulars, prospectuses and listing particulars.
- 6.4 Approval of press releases concerning matters decided by the Board.
- 6.5. Approval of all announcements made through a public market required by the relevant listing rules, other than routine regulatory disclosures such as disclosures relating to holdings in the Company.

## **7. Board Membership and Other Appointments**

- 7.1 Changes to the structure, size and composition of the Board, following recommendations from the Nomination committee.
- 7.2 Ensuring adequate succession planning for the Board and executive directors so as to maintain an appropriate balance of skills and experience within Augean plc and on the Board, following recommendations from the Nomination committee.

- 7.3 Appointments to the Board, following recommendations by the Nomination committee.
- 7.4 Selection of the Chairman of the Board, the chief executive and the Group Finance Director, following recommendations from the Nomination committee.
- 7.5 Membership and Chairmanship of Board committees following recommendations from the Nominations committee.
- 7.6 Continuation in office of directors at the end of their term office, when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate.
- 7.7 Continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the Company, subject to law and their service contract.
- 7.8 Appointment or removal of the Company Secretary.
- 7.9 Appointment, re-appointment or removal of the external auditor to be put to shareholders for approval in general meeting, following the recommendation of the Audit committee.

## **8. Remuneration**

- 8.1 Determining the remuneration policy for the executive directors, delegated to the Remuneration Committee.
- 8.2 Determining the remuneration of the non-executive directors.
- 8.3 The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.
- 8.4 Approving all payments due to participants in Company share-based incentive schemes, delegated to the Remuneration Committee.

## **9. Delegation of Authority**

- 9.1 The division of responsibilities between the chairman and the chief executive, which should be clearly established, set out in writing and agreed by the Board.
- 9.2 Approval of the delegated levels of Authority, including the chief executive's authority limits (which must be in writing).
- 9.3 Establishing board committees and approving their Terms of Reference, and approving material changes thereto.

9.4 Receiving reports from Board committees on their activities for meetings where members of the Committee and members of the Board are not the same individuals.

## **10. Corporate Governance Matters**

10.1 Undertaking a formal and rigorous review and evaluation annually of its own performance, that of its committees and individual directors, and the division of responsibilities.

10.2 Determining the independence of non-executive directors in light of their character, judgment and relationships.

10.3 Considering the balance of interests between shareholders, employees, customers and the community.

10.4 Review of the Group's overall corporate governance arrangements.

10.5 Authorising conflicts of interest where permitted by the Company's Articles of Association.

## **11. Policies**

11.1 Approval of Policies including:

- (a) Share dealing code;
- (b) Bribery prevention policy;
- (c) Whistleblowing policy;
- (d) Health and safety policy;
- (e) Environmental policy;
- (f) Anti-bribery policy.

## **12. Other**

12.1 The making of political donations by the Company.

12.2 Approval of the appointment of the Company's principal professional advisers.

12.3 Prosecution, commencement, defence or settlement of litigation, or an alternative dispute resolution mechanism, in respect of any claim above £0.5 million, or being otherwise material to the interests of the Group.

12.4 Approval of the overall levels of insurance for the Group including Directors' & Officers' Liability insurance and indemnification of directors.

- 12.5 Major changes to the rules of the Group's pension scheme, or changes of trustees or changes in the fund management arrangements.
- 12.6 Any decision likely to have a material impact on the Company or the Group from any perspective, including but not limited to, financial, operational, strategic or reputational.
- 12.7 This schedule of matters reserved for Board decisions.
- 12.8 It is quite appropriate for emergency procedures to deal with matters that must be dealt with urgently to be undertaken by way of telephone conference calls. In such cases it is advisable that as many directors as possible participate in the call or calls. All relevant papers should be sent to all directors and those unable to participate shall be invited to communicate their views to the Chairman beforehand.

Matters which the Board considers suitable for delegation are contained in the terms of reference of its committees.

In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the Group.