

Notice of Annual General Meeting



We are pleased to write to you with details of our 2021 Annual General Meeting (AGM) which will be held at 12 noon at Augean plc's offices at 4 Rudgate Court, Wetherby, LS23 7BF on Wednesday 16 June 2021. The formal notice of Annual General Meeting is set out on pages 78 to 79 of this document. In addition to the routine business of the AGM, there are three items of special business to be transacted, as summarised and explained below:

Authority to allot shares (Resolution 10)

Article 4.6(a) of the Company's Articles of Association contains a general authority for the Directors to allot shares in the Company for a period (not exceeding five years) (the Section 551 prescribed period) and up to a maximum aggregate nominal amount (the Section 551 amount) approved by a special or ordinary resolution of the Company.

The existing authority to allot shares granted at the Company's last Annual General Meeting is due to expire at the AGM. Resolution 10, which will be proposed as an ordinary resolution, seeks to renew the allotment authority so that the Section 551 amount shall be £3,499,064 (being an amount equal to one third of the issued ordinary share capital of the Company at the date of this document) and the Section 551 prescribed period shall be the period from the date Resolution 10 is passed to 30 June 2022 or the conclusion of the Company's next Annual General Meeting, whichever is earlier.

Authority to purchase own shares (Resolution 11)

Article 4.4 of the Company's Articles of Association provides that the Company may, subject to statutory requirements and the resolution of the Company's Shareholders in general meeting, purchase its own shares.

Resolution 11, which will be proposed as a special resolution, seeks to grant the Directors the authority, for the period from the date Resolution 7 is passed to the conclusion of the Company's next Annual General Meeting (unless such authority is revoked or renewed prior to such time), to make market purchases of the Company's own Ordinary shares, up to a maximum amount of 15,735,291 Ordinary shares, being an amount equal to approximately 14.99% of the issued share capital of the Company (as at 25 February 2021, being the latest practicable date prior to publication of this document). The maximum price payable for the purchase by the Company of its Ordinary shares will be limited to 5 per cent above the average of the middle market quotations for an Ordinary share in the Company (as derived from The London Stock Exchange's Daily Official List) for the five business days immediately preceding the day on which such share is contracted to be purchased or, in the case of a tender offer, the terms of the tender offer are announced. The minimum price payable by the Company for the purchase of its Ordinary shares will be 10 pence, being the nominal value of an Ordinary share. The Directors consider that it is in the best interests of the Company and its Shareholders to have the ability to make market purchases of the Company's own shares in appropriate circumstances, without the cost and delay of calling a separate general meeting. The authority will be kept under review and the Directors will only exercise the power of purchase after careful consideration and when the Directors are satisfied that the purchase would be in the best interests of the Company and its Shareholders. The Directors do not currently have the intention of exercising the authority granted by this Resolution.

Disapplication of pre-emption rights (Resolutions 12 and 13)

Article 4.6(b) of the Company's Articles of Association empowers the Directors for a period (not exceeding five years) (the Section 561 prescribed period) to allot shares for cash in connection with a rights issue and also to allot shares in any other circumstances up to a maximum aggregate nominal amount approved by a special resolution of the Company (the Section 561 amount) without having to comply with statutory pre-emption rights. The existing authority to disapply pre-emption rights granted at the Company's last Annual General Meeting is due to expire at the AGM.

Resolution 12, which will be proposed as a special resolution and which will only be effective if Resolution 10 is passed, seeks to renew the disapplication authority so that the Section 561 amount shall be £524,860 (representing approximately 5% of the Company's issued share capital at the date of this document) and the Section 561 prescribed period shall be the period from the date Resolution 12 is passed to 30 June 2022 or the conclusion of the Company's next Annual General Meeting, whichever is earlier.

Resolution 13 is also proposed as a special resolution, which will only be effective if Resolution 10 is passed. In line with the Pre-Emption Group's Statement of Principles (as updated in March 2015) (the Statement of Principles), the Company is seeking authority to issue up to 5% of its issued Ordinary share capital for cash without pre-emption rights applying, in addition to the authority sought in Resolution 12. In accordance with the Statement of Principles, the Company will only allot shares under this additional authority in connection with the financing (or refinancing, if the authority is to be used within six months after the original transaction) of a transaction which the Directors determine to be an acquisition or specified capital investment (within the meaning given in the Statement of Principles). The Section 561 prescribed period for the purposes of Resolution 13 shall be the period from the date Resolution 13 is passed to 30 June 2022 or the conclusion of the Company's next Annual General Meeting, whichever is earlier.

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Political donations (Resolution 14)

Although the policy of the Company is not to make political donations or to incur political expenditure as those expressions are normally understood, the definitions of political donations, political organisations and political expenditure used in the Companies Act 2006 are very wide. Shareholder approval is therefore being sought on a precautionary basis only, to allow the Company (and any companies that are subsidiaries of the Company at any time during the period for which Resolution 14 has effect) to continue to support the community and participate in public debate on matters which affect its business without running the risk of inadvertently breaching the legislation. The authority sought will permit the Company and its subsidiaries to make donations to political parties and independent election candidates not exceeding £50,000 in aggregate, to make donations to political organisations other than political parties not exceeding £50,000 in aggregate, and to incur political expenditure not exceeding £50,000 in aggregate.

Action to be taken by Shareholders

Whether or not you intend to be present at the AGM you are requested to complete and submit a proxy appointment in accordance with the notes to the Notice of AGM set out on pages 78 to 79. To be valid, the proxy appointment must be received at the address for delivery specified in the notes by no later than 12.00pm on Monday 14th June 2021. The completion and return of a proxy appointment form will not preclude you from attending and voting at the meeting, should you so wish. A hard copy proxy appointment form is enclosed for your use.

Recommendation

The Directors consider that the proposals set out above are in the best interests of the Company and its Shareholders as a whole. They recommend that you vote in favour of the resolutions set out in the notice of meeting as they intend to do in respect of their own beneficial holdings other than in respect of those resolutions in which they are interested