

Corporate Governance Code

	Principle:	Requirements:	Disclosures:
1	Establish a strategy and business model which promotes long term value for shareholders.	<p>The Executive and Board annually review and set forward a shared view of the Company's purpose, business model and strategy. Including:</p> <ul style="list-style-type: none"> • an intention to deliver shareholder value in the medium to long term; • the delivery of long term growth underpinned by a set of values aimed at protecting the company from unnecessary risk. 	<p>The Company's current strategy is set out clearly on our website at https://www.augeanplc.com/strategy/ and on <u>page 3-5</u> of the 2018 Annual Report.</p> <p>The Company has a robust risk management strategy. Risk is discussed in further detail in relation to principle 4 below.</p>
2	Seek to understand and meet shareholder needs and expectations.	<p>The Directors have a good understanding of the needs and expectations of all elements of the shareholder base. Including:</p> <ul style="list-style-type: none"> • managing shareholder expectations; • seeking to understand the motivations behind shareholder voting decisions. 	<p>Shareholders have access to all interim and annual reports and are invited to attend the AGM at which all the directors are present.</p> <p>The Group also hosts presentations and capital market events, with the Board having a proactive investor relations programme and believing in maintaining good communication with all stakeholders including institutional and private shareholders. Further detail is set out on our website at https://www.augeanplc.com/investor-relations/ and <u>Page 19 and 22</u> of the 2018 Annual Report.</p> <p>The Board have in recent years engaged with institutional investors on changes to the constitution of the Board and the executive LTIP scheme.</p>
3	Take into account wider stakeholder and social responsibilities and their implications for long-term success.	<p>The Company has good relations with both internal (workforce) and external (suppliers, customers, regulators and others). Including:</p> <ul style="list-style-type: none"> • identifying the Group's stakeholders and understanding their needs, interests and expectations; • Consideration of the impact on society, communities and the environment; • Systems to allow for feedback from all stakeholders. 	<p>Augean is committed to working alongside the Group's stakeholders and has a policy of promoting transparency and understanding of what we do.</p> <p>In relation to the community, this is detailed on our website at: https://www.augeanplc.com/community/.</p> <p>The Group recognises that good communication with employees is vital and regular newsletters, briefings, announcements and notices are provided. Direct regular team briefings also regularly take place.</p> <p>Our business principles and values in relation to this core principle are also set out on our website at</p>

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			https://www.augeanplc.com/commitment/ and in the directors' report on <u>pages 16 - 17</u> of the 2018 Annual Report.
4	Embed effective risk management, considering both opportunities and threats, throughout the organisation.	<p>The Board ensures that the Group's risk management framework identifies and addresses the relevant risks:</p> <ul style="list-style-type: none"> • In order to execute and deliver strategy; • Including to the extended business of the company's supply chain; • Setting strategy to determine the exposure to these identified risks. 	<p>The Group has developed procedures for the management of risks. These risks and the procedures are regularly reviewed by the Directors to ensure that they appropriately reflect the changing nature of the market and business. A risk register is maintained and regularly reviewed by the Board.</p> <p>The Group has a robust risk management strategy, with the main risks facing the Group are set out on <u>page 11 - 13</u> of the 2018 Annual Report and the management of risks procedure on <u>pages 16 and 23</u>.</p>
5	Maintain the board as a well-functioning, balanced team led by the chair.	<p>The Board has a collective responsibility to promote the interest of the Group and to define corporate governance arrangements, including:</p> <ul style="list-style-type: none"> • The provision of high quality timely information; • An appropriate balance between executive and non-executive directors; • At least 2 independent non-executive directors; • Support from knowledgeable Committees (Audit, Remuneration and Nomination); • The necessary time commitment from directors. 	<p>In recent years the Board have appointed a Company Secretary and legal counsel in order to separate this function from the Financial Director role.</p> <p>The Board is constituted of a majority of non-executive directors.</p> <p>The Board comprises 3 non-executive directors. Two of these are deemed by the Board to be independent non-executive directors (being John Grant and Roger McDowell).</p> <p>In 2018 the met for at least 9 formal board meetings, with additional meetings called where necessary. The Audit Committee met 5 times, Remuneration Committee 3 times and the Nomination Committee 2 times. The Board and it's committees had no issues with attendance in 2018 and full attendance lists for 2018 are reported on pages 20 - 21 in the 2018 Annual Report.</p> <p>The Board receives skilled knowledgeable advice from all three of its committees as set out on pages <u>20 - 24</u> of the 2018 Annual Report and on our website at https://www.augeanplc.com/corporate-governance.</p> <p>The skills and constitution of the Board are set out clearly at https://www.augeanplc.com/plcboard and on pages <u>20 - 21</u> of the 2018 Annual Report.</p>

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6	Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities.	<p>The Board has an appropriate balance of sector, financial and public market skills and experience as well as of personal qualities and capabilities. The Board must:</p> <ul style="list-style-type: none"> • Challenge its own diversity and gender balance; • Not be dominated by one person or group of people; • Evolve as requirements change within the Group. 	<p>As set out in relation to principle 5 above, the biographies and skillset of the directors is set out clearly on our website and in the Annual Report at https://www.augeanplc.com/plcboard and on pages 20 – 21 of the 2018 Annual Report.</p> <p>The constitution of the Board changed recently in order to evolve to deal with the changing requirements of the Group. Due to the HMRC assessments, Andrew Bryce with his wealth of specialist legal and environmental experience was brought back onto the Board in September 2017 and following the receipt of final assessments from HMRC Andrew retired in April 2019.</p> <p>Roger McDowell and Christopher Mills were appointed in October 2017 to bring their relevant skills and experience to the broader issues that the Group faced following these HMRC assessments. Rod Holdsworth retired in January 2019.</p> <p>The Board has received ongoing advice in relation to the HMRC matter, as set out in the Company RNS's on such matters.</p> <p>John Grant is the Senior Independent Director and his role and background are set out on pages 20 – 21 of the 2018 Annual Report.</p> <p>Angela McGhin is the Company Secretary and her role and background can be found on the website at https://www.augeanplc.com/management-board/</p>
7	Evaluate board performance based on clear and relevant objective, seeking continuous improvement.	<p>The Board regularly reviews the effectiveness of its performance as a unit, as well as that of its committees and individual directors. These reviews:</p> <ul style="list-style-type: none"> • Can be carried out internally, or ideally externally facilitated from time to time. • Should identify development or mentoring needs of individual directors of the wider senior management team. • Should include succession planning. 	<p>The composition and effectiveness of the Board and its committees are regularly reviewed internally to reflect skills and resources needed to assist the Group in delivering its strategic plan. As discussed above, such reviews took place resulting in a change to the Board's constitution in 2017 and 2018.</p> <p>In December 2016 the Nomination Committee engaged Linstock Limited, a corporate advisory firm that provides objective and independent counsel to leading companies, to carry out a Board evaluation to ensure the continuous improvement of the Board's effectiveness.</p>

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			<p>The Board was evaluated in the following areas: board composition, relationship between the Board and Management, Strategy (the Board's role in and oversight of), risk management and internal control, succession planning and human resource management and priorities for change. Each Committee was also extensively reviewed along with the Chairman and CEO.</p> <p>The proposal is to carry out another external review in 2019/2020.</p>
8	Promote a corporate culture that is based on ethical values and behaviours.	<p>The Board embodies and promotes a corporate culture that is based on sound ethical values and behaviours and uses this an asset a source of competitive advantage. The includes:</p> <ul style="list-style-type: none"> • Policies set by the Board being visible in the actions and decision of the Executive Chairman. • Corporate values guiding the objectives and strategy of the Group. • The culture being visible in all aspects of the business including recruitment, nominations, training, engagement and the performance and reward system. • The corporate culture being recognisable in the Annual Report and website and other statements made by the Group. 	<p>Our vision and values are set out clearly on our website at https://www.augeanplc.com/vision-values/.</p> <p>The Group operate on the premise that best practice is normal practice striving to ensure that regulatory standards are met and, where possible, exceeded.</p> <p>Augean sets clear policy and objectives on its expectations on corporate social responsibility from the top of the management team throughout the organisation. We are proud of our culture where all staff feels responsible for making a difference in delivering high standards within the organisation and to our customers, stakeholders and local communities.</p> <p>To ensure that the business achieves its objectives we invest in people and the business. We recognise the need for continual development and improvement in all our standards and measure performance year-on-year.</p> <p>The Group's Social Responsibility Statement is set out on pages <u>14 – 15</u> of the 2018 Annual Report.</p>
9	Maintain governance structures and processes that are fit for purpose and support good decision-making by the board.	<p>The Group maintains governance structures and processes in line with its corporate culture and appropriate to:</p> <ul style="list-style-type: none"> • its size and complexity; and • capacity, appetite and tolerance for risk. <p>The governance structures evolve in parallel with the Group's objectives, strategy and business model.</p>	<p>The Executive Chairman's corporate governance statement can be found in the 2018 Annual Report at <u>page 22</u> and on our website at https://www.augeanplc.com/corporate-governance/.</p> <p>The roles of the Audit, Nomination and Remuneration Committee can be found on our website at https://www.augeanplc.com/corporate-governance/.</p>

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			<p>Members of the Management Board are set out on the website at https://www.augeanplc.com/management-board/ . The Executive Chairman and Finance Director are available to all stakeholders as set out on the website https://www.augeanplc.com/investor-relations.</p> <p>The Group Company Secretary and General Counsel is also available to all stakeholders on any matters of corporate governance and compliance.</p>
10	<p>Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.</p>	<p>The Group maintains a healthy dialogue between the Board and all of its stakeholders. In particular having appropriate communication and reporting structures between the board and shareholders.</p>	<p>As set out in the previous 9 principles, the areas of the Group website and Annual Report which set out the Group's approach to these governance issues are clearly listed.</p> <p>Historical governance reports and papers, all announcements, results of AGMs, etc can all be found on the Investors tab of our website.</p> <p>The notices of AGM and resolutions can be found in the back of each Annual Report for the last 5 years. Links to these reports can be found on our website at https://www.augeanplc.com/Financial-Reports/</p> <p>No resolution at the 2018 AGM had 20% or more votes cast against it.</p>