

**Updated August 2022**

## **Aurrigo Group plc**

### **Our Corporate Governance**

As a company that will be admitted to trading on AIM, the Company is not required to adopt a specific corporate governance code. However, the Company is required to provide details of the corporate governance code it has decided to adopt, state how it complies with that code and provide an explanation where it departs from compliance with that code.

The Directors support a high standard of corporate governance and have decided to adopt the QCA Code. The Directors believe that the QCA Code provides the Company with the framework to help ensure that a strong level of governance is maintained, enabling the Company to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all of its stakeholders. The Company will comply with the ten principles of the QCA Code, with effect from Admission as detailed below.

#### ***Principle 1: Establish a business strategy and business model which promote long-term value for Shareholders***

The Company's business model and strategy is set out in Part 1 of the Admission Document. The Directors believe that the Company's model and growth strategy will help to promote long-term value for Shareholders. An update on strategy will be given from time to time in the strategic report that is included in the annual report and accounts of the Company.

The principal risks facing the Company are set out in Part 2 of the Admission Document. The Directors will continue to take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks following Admission, including implementing a risk management framework.

#### ***Principle 2: Seek to understand and meet Shareholder needs and expectations***

The Board is committed to and actively encourages effective relationships and communication with the Company's shareholders.

Prior to Admission the Directors undertook an investor roadshow, which has provided the Company with insight as to what shareholder expectations are likely to be following Admission

All shareholders are actively encouraged to participate in the Company's future annual general meetings ("**AGM**"). The Company will prepare an annual report and notice of AGM, which will be sent to all Shareholders and will be available for download from the Company's website.

The Company will seek to maintain an active dialogue with Shareholders, who will be kept up to date with the Company's developments by way of announcements made through a Regulatory Information Service on matters of a material substance and/or a regulatory nature. Updates will be provided to the market from time to time, including any financial information, and any expected material deviations to market expectations will be announced through a Regulatory Information Service. The Company's AGM will be an opportunity for Shareholders to meet with the Chairman and other members of the Board.

The meeting will be open to all Shareholders, giving them the opportunity to ask questions and raise issues during the formal business or, more informally, following the meeting. The results of the AGM will be announced through a Regulatory Information Service.

The Board is keen to ensure that the voting decisions of Shareholders are reviewed and monitored, and the Company intends to engage with Shareholders who do not vote in favour of resolutions at AGMs.

All contact details for investor relations are included on the Company's website.

***Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success***

The Company takes its corporate social responsibilities very seriously and is focused on maintaining effective working relationships across a wide range of stakeholders including shareholders, staff, and customers part of its business strategy. The Directors will maintain an ongoing and collaborative dialogue with such stakeholders and take all feedback into consideration as part of the decision-making process and day-to-day running of the business.

Further details of the Company's ESG policy and plans are set out in paragraph 13 of Part 1 of the Admission Document.

***Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organization***

The principal risks facing the Company are set out in Part 2 of the Admission Document. The Directors will take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks following Admission. A review of these risks will be carried out at least on an annual basis, the results of which will be included in the annual report and accounts going forward.

The Board has overall responsibility for the determination of the Company's risk management objective and policies and has also established the Audit Committee.

***Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chairman***

On Admission, the Board will comprise three Executive Directors and four Non-Executive Directors, including the Non-Executive Chairman. The biographies of the Directors are set out in paragraph 14 of Part 1 of the Admission Document. The Board considers that it combines a blend of sector and market expertise, with an effective executive management team and appropriate oversight by independent Non-Executive Directors.

The Company is satisfied that the current Board is sufficiently resourced to effectively discharge its governance obligations on behalf of all its shareholders and other stakeholders in the Company.

The Board will meet regularly, and processes are in place to ensure that each Director is, at all times, provided with such information as is necessary to enable each Director to discharge their respective duties. The Board is also supported by the Audit Committee, the Remuneration Committee and the Nominations Committee. The Nominations Committee have responsibility for reviewing the structure, size and composition of the Board, giving consideration to succession planning and reviewing the leadership needs of the organisation.

The QCA Code recommends that the Board should comprise of a balance of executive and non-executive directors, with at least two non-executive directors being independent. The QCA Code suggests that independence is a board judgement, but where there are grounds to question the independence of a director, through length of service or otherwise, this must be explained. Each of the Non-Executive Directors are considered to be independent and were selected with the objective of bringing experience and independent judgement to the Board. None of Non-Executive Directors are employees, have significant business relationships with the Company, or are significant shareholders in the Company.

As recommended by the QCA Code guidance, the independent Non-Executive Directors will not participate in performance-related remuneration schemes.

***Principle 6: Ensure that between them the Directors have the necessary up to date experience, skills and capabilities***

The skills and experience of the Directors are summarised in their biographies set out in paragraph 14 of Part 1 of the Admission Document.

The Directors believe that the Board has a balance of sector, financial and public market skills and experience appropriate for the size and stage of current development of the Group and that the Board has the skills and requisite experience necessary to execute the Company's strategy and business plan whilst also enabling each director to discharge his or her fiduciary duties effectively. Experiences are varied and contribute to maintaining a balanced board that has the appropriate level and range of skill to develop the Company. The Board is not dominated by one individual and all Directors have the ability to challenge proposals put forward to the meeting, democratically.

While the Board has not yet adopted any formal policy on gender balance, ethnicity or age group, it is committed to fair and equal opportunity and fostering diversity subject to ensuring appointees are appropriately qualified and experienced for their roles.

The Company retains the services of independent advisors including financial, legal, and investor relations advisers that are available to the Board and who provide support and guidance to the Board and complement the Company's internal expertise. The Directors have also received a briefing from the Company's Nominated Adviser in respect of continued compliance with, inter alia, the AIM Rules and the Company's solicitors in respect of continued compliance with, inter alia, MAR.

***Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement***

The Directors will consider the effectiveness of the Board, Audit Committee, Remuneration Committee, Nominations Committee and individual performance of each Director. The outcomes of performance will be described in the annual report and accounts of the Company.

The Board considers that the corporate governance policies it has currently in place for Board performance reviews is commensurate with the size and development stage of the Company.

***Principle 8: Promote a corporate culture that is based on ethical values and behaviours***

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company and that this will impact performance. The culture is set by the Board and is considered and discussed at Board meetings and the Board is aware that the tone and culture it sets impacts all aspects of the Company and the way that employees behave. The Board promotes a culture of integrity, honesty, trust and respect and all employees of the Company are expected to operate in an ethical manner in all of their internal and external dealings.

The staff handbook and policies promote this culture and include such matters as whistleblowing, social media, anti-bribery and corruption, communication and general conduct of employees. The Board takes responsibility for the promotion of ethical values and behaviours throughout the Company, and for ensuring that such values and behaviours guide the objectives and strategy of the Company. The Company also has an established code for directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM, and is in accordance with Rule 21 of the AIM Rules and MAR.

The Directors believe that a long-term sustainable business model is essential for discharging the Board's responsibility to promote the success of the Company, its employees, shareholders and other stakeholders of the business. In considering the Company's strategic plans for the future, the Directors will proactively consider the potential impact of its decisions on all stakeholders within its business, in addition to considering the broader environmental and social impact as well as the positive impact it can have within the local community in which the Company operates.

Details regarding the Company's systems and procedures as in place at Admission are set out in paragraph 13 of Part 1 of the Admission Document.

The Company fully endorses the aims of the Modern Slavery Act 2015, takes a zero-tolerance approach to slavery and human trafficking within the Company and supply chain.

***Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board***

The Chairman leads the Board and is responsible for its governance structures, performance and effectiveness. The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive team.

David Keene is Chief Executive who, supported by the other Executive Directors, is responsible for the operation of the business and delivering the strategic goals agreed by the Board. The Non-Executive Directors (including the Non-Executive Chairman) are responsible for bringing independent and objective judgement to Board decisions and are all considered to be independent and were selected with the objective of bringing experience and independent judgement to the Board.

The Board is supported by the Audit Committee, Remuneration Committee and Nominations Committee, further details of which are set out in paragraph 15 of Part 1 of the Admission Document. There are certain material matters which are reserved for consideration by the full Board. Each of the committees has access to information and external advisers, as necessary, to enable the committee to fulfil its duties.

The Board intends to review the Company's governance framework on an annual basis to ensure it remains effective and appropriate for the business going forward.

***Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with Shareholders and other relevant stakeholders***

Responses to the principles of the QCA Code and the information that will be contained in the Company's annual report and accounts provide details to all stakeholders on how the Company is governed. The Board is of the view that the annual report and accounts as well as its half year report are key communication channels through which progress in meeting the Company's objectives and updating its strategic targets can be given to Shareholders following Admission.

Additionally, the Board will use the Company's annual general meetings as a mechanism to engage directly with Shareholders, to give information and receive feedback about the Company and its progress.

The Company's website in compliance with the AIM Rules, [www.aurrigo.com](http://www.aurrigo.com), will be updated on a regular basis with information regarding the Company's activities and performance, including financial information.

All contact details for investor relations are included on the Company's website.