

The Go-Ahead Group plc
Schedule of Matters Reserved for the Board

The Board is responsible for the leadership of The Go-Ahead Group plc (the “Group”) and for setting its purpose, culture, values and standards. The Board delegates all decision making on the management of the business to the executive directors, with the exception of this ‘Schedule of Matters Reserved by the Board’ and any matter which is the subject of the Board’s delegation to a Committee of the Board.

Purpose and Strategic Direction

- Establishing the Group’s purpose, values and strategy and the alignment of the Group’s culture and regularly monitoring this.
- Approval of the Group’s strategy, as proposed by the executive directors, and determining the overall direction of the Group together with its long-term objectives.
- Oversight of the performance of the business and the executive management against the Company’s strategy and objectives and ensuring that any necessary corrective action is taken.
- Approval of the Group’s strategic, financial and corporate plans.
- Any decision to extend the Group’s activities into significant new areas of business.
- Any decision to cease to operate all or any significant part of the Group’s business.
- Approval of acquisitions, disposals and any other transactions for consideration in accordance with limits specified by the Board from time to time.

Structure and Capital

- Changes relating to the Group’s capital structure, reduction of capital, redemption of any securities, share issues or sale of any treasury shares (except under any employee incentive plans), share buy backs.
- Significant changes to the Group’s corporate structure or management and control structure.
- Approval of any change in the domicile or listing of the Company.

Financial Reporting and Controls

- Approval of the half-yearly report, the full year results, trading updates and any other formal announcement relating to the financial results and performance of the Company.
- Approval of the Group’s consolidated Annual Report and Accounts, including the Corporate Governance Statement, the Directors’ Remuneration Report, the Strategic Report and the Viability Statement.
- Approval of the dividend policy including the recommendation, approval and declaration of any interim, full year and/or special dividends.
- Approval of any significant changes in accounting policies or practices.
- Approval of any treasury policies and material changes to them or any change in major banking relationships.
- Oversight of the Group’s accounting records.
- Approval of any significant change in the Group’s tax policy and objectives or a change in its tax residence.

- On recommendation from the Audit Committee, the review and approval of:
 - The reappointment of external auditors and change (or recommendation of a change) of auditors (subject to shareholder approval).
 - The audit scope memorandum and engagement letter together with the auditor's letter of recommendation.
 - The Audit Committee's report on the qualification, expertise and resources, effectiveness, independence and objectivity of the auditors.

Risk Management and Internal controls

In conjunction with the Audit Committee where appropriate, establish formal and transparent policies and procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the Group is willing to take in order to achieve its long-term strategic objectives, including:

- Approval of the Group's risk management framework, including the clarification and robust assessment of both emerging and principal risks.
- Approval of the Group's risk appetite statement and risk tolerance limits.
- Receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives.
- Approval of statements concerning internal controls as and when required or appropriate, any other statements required to be made by the Board under the provisions of the UK Corporate Governance Code.
- Approving procedures for the detection of financial crime, fraud and the prevention of bribery.
- Approving the overall levels of insurance for the Group, including directors' and officers' liability insurance and indemnification of directors.
- Reviewing at least annually:
 - The adequacy and security of the Group's arrangement for its employees and contractors to raise concerns, in confidence and anonymously, about possible wrongdoing in financial reporting or other matters.
 - The Group's whistleblowing procedures.

Contracts

- Unless already approved through the Group's strategic and financial plan, approval (either individually or through the budget approval pursuant to above) of:
 - capital projects;
 - investments;
 - other contracts in accordance with limits specified by the Board from time to time which are not in the ordinary course of business.
- Any lending, other than transactions in the ordinary course of business, intra-group or under treasury policies already agreed by the Board.
- Any borrowing, other than:
 - pursuant to the Company's Credit Facility Agreement;
 - overdrafts in the ordinary course of business.

- Material changes to the terms of the Group's Credit Facility Agreement.
- Replacement of the Group's Credit Facility Agreement.

Communication

- Approval of resolutions and related documentation to be put forward to shareholders at a general meeting.
- Approval of circulars, prospectuses and listing particulars or other similar documents relating to the listing and/or admission to trading of securities of the Group.

Board Composition and Appointment

On recommendation of the Nomination Committee, the review and approval of:

- Changes to the structure, size and composition of the Board, ensuring that appointments are made on merit and against objective criteria, with due regard for the benefit of diversity on the Board, including diversity of gender, of social and ethnic backgrounds, and of cognitive and personal strengths, and that both appointment and re-appointment are subject to rigorous review and that appointees have sufficient time to perform their role.
- Ensuring adequate succession planning for the Board and senior management so as to maintain an appropriate balance of skills and experience within the Board and Executive Committee.
- Selection of the Chairman of the Board and the Group Chief Executive.
- Appointment of the Senior Independent Director.
- The terms of appointment of the Chairman of the Board and other non-executive directors
- Membership and Chairs of the Board Committees normally following recommendations from the Nomination Committee.
- Appointment or removal of the Company Secretary.

Remuneration

On recommendation of the Remuneration Committee, the review and approval of:

- The Remuneration Policy for the executive directors.
- The remuneration of the non-executive directors (including the Chairman), senior management and the Company Secretary subject to the articles of association and shareholder approval as appropriate.
- The introduction of new share schemes or new long-term incentive schemes or major changes to existing schemes which are subject to shareholders' approval.

Delegation of Authority

- Approval of a written statement of the roles and responsibilities of the Chairman, the Group Chief Executive and Senior Independent Director.
- Establishing Board Committees and approval of their terms of reference and any amendments thereto.

Corporate Governance Matters

- Review of the Group's corporate governance arrangements.
- Undertaking a formal and rigorous annual review of the performance of the Board, its committees and individual directors.
- Determining the independence of non-executive directors (in accordance with the criteria set out in the UK Corporate Governance Code).
- Ensuring the Board as a whole has access to independent professional advice and committees are sufficiently resourced to perform their duties.
- Considering the balance of interests between all stakeholders, including shareholders, employees, customers and the community.
- Undertaking appropriate engagement and encouraging participation with all stakeholders, including shareholders, employees, customers and the community to understand their views, and reviewing regularly such engagement mechanisms so that they remain effective.
- Selecting a method of engaging with the Group's workforce that supports the UK Corporate Governance Code.
- Identifying and managing conflicts of interest, including those resulting from significant shareholdings, and ensuring the influence of third parties does not compromise or override independent judgement.

Other

- Oversight of the Group's compliance with statutory and regulatory obligations.
- Approval of the appointment of the Group's brokers, corporate legal advisers and registrars.
- The making of any political donations.
- Changing the accounting reference date or registered office of the Company.
- The institution, defence or settlement of legal proceedings (or an alternative dispute resolution process) that is material to the interests of the Group. (The Group Legal Director shall determine what is "material" in the relevant circumstances).
- Amendments to this Schedule of Matters Reserved to the Board.

This Schedule is not, however, exclusive and does not derogate from (a) the Board's overall duties and responsibilities as a matter of law or (b) the Board's right to require any matter (irrespective of whether it has been delegated or not) that it considers relevant be brought to the Board for decision and/or information purposes.