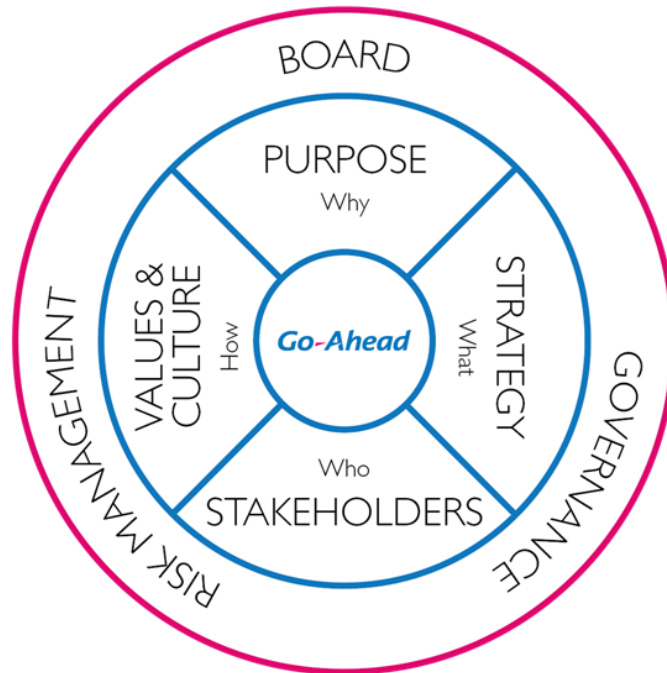


The Go-Ahead Company plc
("the Company, Group or Go-Ahead")

Board Mandate

Go-Ahead's Board of Directors ("the Board") is collectively responsible for creating and delivering the long-term sustainable success of the Company. It is accountable for agreeing and managing the purpose, strategy, stakeholders and culture of the business and overseeing its governance to ensure it is delivered effectively.



Our Purpose

The Board is responsible for developing the Company's purpose. As one of the largest operators of public transport in the UK, Go-Ahead's purpose is to provide the social and economic benefits of affordable and accessible travel to the communities in which we operate. We connect people with friends, family, work and leisure activities. We generate value for our investors, by building a sustainable business which meets the needs of our customers and communities. Our businesses are at the heart of the communities they serve, and our customers are at the heart of Go-Ahead. Delivering sustainable shareholder value and contributing to the wider society are key to the long-term success of the Company.

Our Vision and Values

The Board is responsible for the Company's long-term vision and for developing the values that support the achievement of this vision. Our vision, which is "a world where every journey is taken care of" is delivered by the strategy outlined below, underpinned by our core beliefs and attitudes.

Our Strategy



The Board is accountable for the development of the strategy that will deliver our vision. We have a clear and defined strategy with three core pillars:

Protect and grow the core	We are focussed on protecting and growing our core business. In bus, we have a resilient business model equipped for economic uncertainty and in rail we are bidding with financial discipline, considering each potential franchise bid on its own specific merits.
Win new bus and rail contracts	We continue to pursue value adding opportunities in current and new international markets, where there is a strong pipeline of bid opportunities in both bus and rail, in line with our strategy, risk appetite and financial discipline.
Develop for the future of transport	With passenger and customer needs changing, remaining relevant to our customers and staying in tune with their change expectations, is a key priority. We seek new ways to use our skills, knowledge, assets and technology to create growth and set us apart from the competition.

The Board has selected a range of key performance indicators which are the measures we use to assess progress against our strategic objectives and effectively monitor Go-Ahead's performance. Key performance indicators specific to each strategic objective are also incorporated into the executive directors' performance-related remuneration targets.

Board activities are structured to enable the Board to support the executives and senior management to deliver our strategic objectives.

By running a profitable, sustainable and responsible business, we create value and deliver long term benefits to shareholders, passengers and communities through the following responsible business areas:

Better Teams	We strive to be a best in class employer by providing a rewarding work environment, offering market related compensation and rewarding performance. As a responsible employer, we are focused on colleague wellbeing, retention, training and development.
Happier Customers	We deliver high quality, locally focused services, enabled by our devolved structure, which ensures a better understanding of our customer and ability to respond to their needs.
Stronger Communities	We make a significant and positive contribution to the communities in which we operate, enabling communities to remain connected, and do so in a responsible way. We strive to reduce any negative impact our operation may have on the environment.
Smarter Technology	We develop and harness technology to make our business more efficient through safer working practices, routine automation and analysing big data. Customer facing technologies also help to keep our customers informed and provide a variety of ways to buy tickets and travel with us.
Cleaner Environment	We take our environmental responsibilities very seriously. This is done through a continuous drive to reduce our own emissions and by promoting our services more broadly which provide scope to ease congestion and improve air quality in the communities in which we operate.

Our Stakeholders

The Board is responsible for ensuring that regular updates are received from each of the Group's key stakeholders. This helps to embed the consideration of their interests in Board discussions and decision making and also broadens the Board's understanding of stakeholder perspectives and interests.

The Board has identified Go-Ahead's key stakeholders as our customers, people, investors, strategic partners and suppliers, government and communities. We place great importance on partnership, adopting a collaborative approach with our key stakeholders to develop and run services that create long term value.

The Group's key stakeholders are as follows:

Customers	Customers are at the heart of Go-Ahead and it is our mission to provide them with a consistent and reliable service. We build relationships with customers through our front-line staff, customer ambassadors and social media. These interactions allow us to better understand the needs of our passengers and where to focus improvements, which allows us to provide a better all-round service.
Our People	Our business is built by colleagues whose dedication, innovation and ambition help deliver the best transport service to our customers. We are committed to creating an environment which is safe and where colleagues feel they belong, that is inclusive and diverse, focuses on learning and development and promotes high levels of engagement.
Investors	We run our business with strong financial discipline and aim to provide attractive returns to our investors. We place great importance on our relationships with shareholders and have a long tradition of engaging with our investors to maintain high levels of transparency and to build trust.
Strategic Partners & Suppliers	Our strategic partners include local authorities, TfL, Keolis and Network Rail, as well as a broad range of other suppliers. They provide the public sector infrastructure such as railway tracks and local authority bus stations and leased trains and buses, all of which we rely upon to deliver an efficient service.
Government	Policy and regulatory change affect our bus and rail businesses and create the framework in which we operate. Working closely with both central and local governments enables us to add our private sector experience and expertise to the public agenda and produce better policy outcomes and service delivery.
Communities	As an operator of public transport, we provide a vital service to communities. Our services ensure that millions of people are able to get to work, education and access services. We make a significant contribution to the economy through the people we employ, the payments to suppliers, the funds generated by our rail operations for government and our corporation tax payments.

Governance

The Board believes that good governance is crucial to the successful delivery of Go-Ahead's strategic objectives. The Board's robust governance framework, which starts with the Board and runs throughout the business, supports well-informed, high-quality decision making and the development and delivery of our strategy and risk management. Governance supports the delivery of our strategic objectives, with the Board's governance role for each of our three strategic pillars as follows:

Protect and grow the core	<ul style="list-style-type: none"> ○ ensure our core businesses are safeguarded ○ understand market developments and shifts in trends ○ track evolving strategic opportunities ○ approve and monitor strategy and delivery; and ○ oversee and approve organic growth initiatives, bolt-on acquisitions and strategic partnerships
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Win new bus and rail contracts	<ul style="list-style-type: none"> ○ assess and agree the viability, including risk, of rail and bus contracts ○ ensure detailed oversight and understanding of the bid process, strategy and risks ○ approve all key bid and contract submissions ○ oversee mobilisation of contracts already won; and ○ ensure knowledge, experience and best practice are shared across the Company
Develop for the future of transport	<ul style="list-style-type: none"> ○ agree new and emerging strategic initiatives ○ oversee the programme of innovation projects, with in-depth reviews ○ monitor progress on a regular basis ○ monitor evolving competitor and macro trends; and ○ provide support and resources to pioneering innovations

The Board has delegated certain responsibilities to the Audit, Nomination and Remuneration Committees:

Committees		
Audit	Remuneration	Nomination
Principal responsibilities include managing the external and internal auditors, audit process, financial reporting, risk management and internal controls.	Principal responsibilities include executive remuneration policy, remuneration and reward principles and senior management remuneration.	Principal responsibilities include Board composition and board balance, succession planning, leadership and talent oversight and inclusion and diversity.

Each Board Director acts in accordance with their statutory duties under Section 172 of the Companies Act 2006. Section 172 imposes a general duty on every Director to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole. This duty is owed to the Company itself. Section 172 also requires Directors to have regard to a non-exhaustive list of factors, including the interests of employees and how the actions and behaviours of the Company affect customers, suppliers, the community and the environment, as well as the Company's reputation.

The Board ensures that in promoting the success of the Company, broader implications of decisions have been considered. Section 172 applies across each Board Director's role, ranging from setting strategy and defining culture to agreeing governance structures, setting business plans and budgets, setting policies and procedures and making business decisions.

The Board believes in doing business in the right way, behaving ethically and creating value beyond financial return for all our stakeholders.

Culture

The Board recognises that strong governance also underpins a healthy culture. This, in turn, brings benefits to the Group and its employees as well as to all our stakeholders. The Board

is committed to leading by example and ensuring that good standards of behaviours permeate throughout all levels of the organisation.

Our people are a key source of insight as they bring the value of our culture to life in their day-to-day roles. The Board's culture agenda ensures oversight of a range of insights including inclusion and diversity initiatives, colleague engagement, succession planning, talent management and development.

There is also a programme for the Non-Executive Directors to meet with local senior management teams and colleagues in each of the operating companies. This is undertaken through the Board's rolling programme of site visits, presentations to the Board and events like the annual management conference.

Safety
The Board is committed to promoting and maintaining the health, safety and wellbeing of our employees. In accordance with our vision of ' <i>a world where every journey is taken care of</i> ' the Board is also committed to the safety of our travelling customers and any other people who may be affected by the way we conduct our business. It is the Board's responsibility to ensure that processes and systems are designed to take account of health and safety requirements and are properly managed at all times.

Risk Management

The Board is responsible for establishing the Company's risk appetite. The Board has overall responsibility for ensuring that the Company's exposure to risk remains proportionate to the pursuit of its strategic goals and long-term stakeholder value. The Board's approach combines a top down strategic assessment of risk and risk appetite with a bottom up operational identification and reporting process which also looks at the impact of a combination of risks and emerging risks coming through.

Our risk appetite statement sets out how we balance risk and opportunity in pursuit of achieving our strategic objectives. It forms an integral part of the development of our corporate strategy, governance and reporting framework:

Risk Appetite Statement
The Board has no tolerance for safety risk exposure, including an incident such as a major passenger accident or an act of terrorism. The Board will only tolerate low risk with regards to the management of core activities. The Board is willing to accept moderate risk within stable and regulated markets for its bids for new bus and rail contracts. In pursuit of the Board's objective to develop the future of transport, the Board recognises that innovation and striving to be one step ahead of our competitors comes with some inherent risk. Moderate risks, in some circumstances, will be accepted in pursuit of these objectives.

Capital Allocation

A key objective of Go-Ahead's strategy is to deliver value to our stakeholders, supported by financial discipline, a rigorous approach to cost efficiency, a strong balance sheet and the efficient allocation of the Group's capital.

The Board has established Capital Principles and a Capital Allocation Hierarchy to ensure that business risks are managed, value-creating growth opportunities can be captured and that providers of capital also earn an appropriate return:

Capital Principles	
1.	Manage the balance sheet consistent with the maintenance of an Investment Grade rating
2.	Maintain an ordinary dividend policy of paying out between 50% and 75% of EPS
3.	Target Net Debt/EBITDA of 1.5x to 2.5x aiming to be in the lower half of the range
Capital Allocation Hierarchy	
Capital to sustain profits from existing businesses or meet commitments in franchises or other contracts	
Capital reserved against known risks	
Capital to bid for opportunities in agreed target markets	
Capital (including bonds and guarantees) to support new franchises, contracts and acquisitions	
Capital to pay an attractive ordinary dividend	
Consider further returns to shareholders consistent with its 'Capital Principles'	

Board Effectiveness

Ensuring the Board is as effective as it can be is always a priority for the Board. It is important that all Board members bring the right behaviours and values to create the blend that is vital to a healthy boardroom culture. Important drivers of the effectiveness of our Board include diversity of skills, background and personal strengths, with the opportunity for robust debate and constructive challenge in the boardroom.

The Board's annual effectiveness review provides an opportunity to reflect on the effectiveness of the Board and its Committees. Discussions focus around progress against the actions from the previous year's review, the Board's governance framework and current topics to improve Board effectiveness. It is important that both Executive and Non-Executive Directors bring the right skills, experience and behaviours to the boardroom and that we collectively harness the skills and strengths of individual Board members.