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**Go-Ahead Holding Limited
(the “Company”)**

Pursuant to The Companies (Miscellaneous Reporting) Regulations 2018, please find set out below a Section 172(1) Statement for Go-Ahead Holding Limited. The statement has been extracted from page 4 of the Company’s Annual Report and Financial Statements for the year ended 2 July 2022 (available at Companies House) and has been made available on the website of The Go-Ahead Group Limited (www.go-ahead.com).

Compliance with section 172(1) of the Companies Act 2006

During the year, the directors continued to promote the success of the Company for the benefit of its shareholder (and in turn the wider Group), whilst also having regard to the interests of a range of other stakeholders when making principal decisions such as transactional agreements, payment of dividends, board appointments and approval of accounts. In doing so, the Board’s desire to act fairly for its sole member, maintain a reputation for high standards of business conduct, and consider the long-term consequences of the decisions underpinned the way it operated.

The Company is a holding company for the principal subsidiaries as set out in note 10 of the financial statements and has no employees. The Company’s primary parent and controlling party is The Go-Ahead Group Limited (formerly The Go-Ahead Group plc) (the Group) which owns 100% of the Company. During the year, the Company’s only stakeholders were therefore the Group and its subsidiaries, as well as the banks with which it carried out any borrowing. Banking relationships are managed centrally by the Group and due regard is given to the Company’s lenders when key decisions are taken.

Subsequent to the year end, the entire share capital of the Group was purchased by Gerrard Investment Bidco Limited, a newly formed company indirectly owned by Kinetic TCo Pty Ltd and Global Via Infraestructuras S.A. For information about how the Group demonstrated consideration of the matters set out in Section 172 of the Companies Act 2006 during the year, please see its compliance statement on page 1 of the Group’s 2022 Annual Report and Financial Statements available at www.go-ahead.com.

**Govia Limited
(the “Company”)**

Pursuant to The Companies (Miscellaneous Reporting) Regulations 2018, please find set out below a Section 172(1) Statement for Govia Limited. The statement has been extracted from page 9 of the Company’s Annual Report and Financial Statements for the year ended 3 July 2021 (available at Companies House) and has been made available on the website of The Go-Ahead Group Limited (www.go-ahead.com).

Compliance with Section 172(1) of the Companies Act 2006

The directors confirm that, during the year, they continued to promote the success of the Company for the benefit of all stakeholders. In doing so, the Board’s desire to act fairly for its members, maintain a reputation for high standards of business conduct, and consider the long-term consequences of the decisions they take, have underpinned the way it operates.

The Company is the holding company of the Group’s train operating companies, London & South Eastern Railway Limited and Govia Thameslink Railway Limited owning 100% of the issued share capital in each of these subsidiaries. The Company also continues to hold 100% of the called up share capital of the non-operating companies New Southern Railway Limited, Southern Railway Limited and London & Birmingham Railway Limited which only continue to exist for the foreseeable future until all liabilities are cleared. The Company’s ultimate parent and controlling party is The Go-Ahead Group plc and it is owned 65% by the Group and 35% by Keolis (UK) Limited. The Company is a vehicle to bid for rail franchises with our joint venture partner Keolis and deals solely with intercompany entities, the key stakeholders of the Company are therefore the Group, Keolis, Southeastern and GTRs. The Company does not have any employees, customers or suppliers.

The board believe that effective communication and proactive engagement with the Group and its members is paramount in establishing a mutual understanding of objectives. During the year, the Group executive directors, the Group Managing Director of Rail Development and two designated Keolis directors sat on the boards of each of the Company, Southeastern and GTR. This facilitated effective open, transparent and two-way engagement between all companies, the feedback from which formed part of each board’s strategic discussions. The Group executive directors formed the primary communication route between the Company and the Group. This structure supports the board in performing its duties in compliance with the matters set out in paragraphs a-f of section 172 of the Companies Act 2006 and to have regard for the interests of all key stakeholders, including on the principal decisions taken (for example decisions relating to direct awards and emergency measure contracts; bid submissions; payment of dividends; board appointments; and approval of accounts).

**London and South Eastern Railway Limited
(the “Company”)**

Pursuant to The Companies (Miscellaneous Reporting) Regulations 2018, please find attached the Section 172(1) Statement and Corporate Governance Report for the London and South Eastern Railway Limited. This has been extracted from pages 10 to 18 of the Company’s Annual Report and Financial Statements for the year ended 2 July 2022 (the “Annual Report”), available at Companies House. All page references in the extract which follow refer to the Annual Report.

Strategic report

Section 172 Statement

In their discussions and decisions during the year, the directors of the Company acted in a way that they considered, in good faith, was most likely to promote the success of the Company. In doing so, they had regard to the Company's key stakeholders and the matters set out in section 172(1)(a)-(f) of the Companies Act 2006 as explained below.

The likely consequences of any decision in the long term:

The directors recognise that their decisions will have an impact on the Company's long-term success. Board discussions take account of all stakeholder interests, and the decision-making process includes balancing competing interests, whether short or long term. Decisions may benefit some stakeholders more than others, and the impact on each stakeholder group forms an integral part of board debate. In particular, board decisions take into account and seek to align with, the purpose and strategy set by the Group, for the Group as a whole. Further information on stakeholder engagement and its impact on principal decisions made during the year is set out in the respective sections below.

The interests of the Company's employees:

The Company's employees were fundamental to its success, and their health, safety and wellbeing was a top priority for the directors. "Health and safety", "People and engagement" and "Industrial relations" have been mandated by the Group as items to be considered at each scheduled board meeting of every operating company within the Group, supported by detailed briefing papers circulated in advance of each meeting. The Company's employees were a key stakeholder group, and further information on workforce engagement, outcomes from that engagement and any impact on principal decisions is set out in the stakeholder engagement and principal decisions sections below.

On 17 October 2021 the Company's workforce transferred to the OLR under Transfer of Undertakings (Protection of Employment) ("TUPE") law. Following this transfer the Company has no employees.

The need to foster the Company's business relationships with suppliers, customers and others:

Positive business relationships with suppliers, customers, government and other key stakeholders underpin the Company's delivery of services. Relations with suppliers are guided by the Group's Sustainable Procurement Supply Chain Charter, particularly in relation to dealings with smaller suppliers, which can be found, together with other related policies, on the Group website www.go-ahead.com/sustainability/policies. Further information on stakeholder engagement is set out on page 11.

The impact of the Company's operations on the community and the environment:

As an operator of public transport, the Company aimed to enhance the lives and wellbeing of every community where it operated by providing them with vital transport services. Communities were a key stakeholder group and further information on community engagement and outcomes is set out in the stakeholder engagement section on page 11. Environmental considerations were central to the strategy of the Group, and therefore to the Company.

The Group has committed to reduce carbon emissions by 75% by 2035 and consolidating zero emissions capabilities is one of five key enablers underpinning the Group's strategic priorities. Further information on the Group's approach to environmental considerations can be found in the Group's Annual Report & Accounts 2022 published on www.go-ahead.com.

The desirability of the Company maintaining a reputation for high standards of business conduct:

The directors acknowledged their responsibility for setting and monitoring the Company's culture, values and reputation. This was undertaken in line with the Group's purpose and values and the Group Code of Conduct which can be found at www.go-ahead.com/sustainability/policies.

Strategic report

The need to act fairly as between members of the Company:

The Company has a single shareholder, Govia Limited, which itself has two shareholders, Go-Ahead Holding Limited and Keolis (UK) Limited. The Company forms part of the Govia group of companies, the majority owner of which is the Group. The Group is structured around a devolved operating model and the Company is managed by its board of directors as a standalone business unit. Further details are set out in the corporate governance arrangements section of the Directors' Report.

Stakeholder Engagement

The Company's relationships with its stakeholders were a key to its success. By engaging meaningfully, it gained insights into their needs. This feedback formed part of the decision-making process at every level of the business, from the Board to the local management teams. The examples below from the financial year demonstrate consideration of the matters set out in Section 172 of the Companies Act 2006.

Stakeholders	Why the Company engaged	How the Company engaged	Key topics of engagement	How the Company responded
Our people <p>The business was built by colleagues whose commitment, innovation and ambition helped to deliver the best possible transport service to passengers.</p> <p>The workforce was experienced, diverse and dedicated. It was a key asset to the business and to whom the Company had a strong commitment to personal development.</p>	<p>To maintain a highly engaged and motivated workforce</p> <p>To create a constructive, two-way dialogue, ensuring colleagues have a platform to have their voices heard</p> <ul style="list-style-type: none"> To promote wellbeing and ensure the safety of our people To understand how we can best provide a supportive and workforce To ensure we develop colleagues through professional development and training 	<ul style="list-style-type: none"> Internal communications (for example digital, print and interactive channels). Colleague and leadership forums; the People, Passenger and Reputation Board, Colleague network groups Area partnership programme Regular employee pulse surveys Collaboration with trade unions Provision of a formal whistleblowing policy Engagement with the workforce on Covid-19 safety and wellbeing measures 	<ul style="list-style-type: none"> Health, safety and wellbeing Diversity and inclusion Maintaining and continually improving colleague engagement Development and training opportunities Opportunities for progression Opportunity to share ideas and make a difference Colleague recognition and reward DOHL taking over the Company's operations 	<ul style="list-style-type: none"> Increased colleague engagement and communication Development of health and wellbeing initiatives Continued focus on diversity and inclusion Support for remote working practices to balance childcare / home schooling, etc. where appropriate Sharing decisions made by the DfT and joint communications with DOHL to allay concerns about employment security
Customers <p>Customers were at the heart of the business and we were dedicated to providing them with safe, convenient and reliable services. The Company understood its market and strived to exceed its customers' expectations.</p>	<ul style="list-style-type: none"> To identify priority areas for improvement in order to maintain or improve customer satisfaction levels To respond quickly and effectively to meet changes in customers' needs and preferences To fully understand the needs of our different and diverse customer groups To improve or maintain a high quality, reliable and safe passenger transport service 	<ul style="list-style-type: none"> Better understanding of the evolving needs of its customers Undertaking regular customer satisfaction surveys Operating customer insight panels to identify customer priorities on cleanliness, social distancing and value for money Ran meet the manager sessions to gain insight into the Company's performance 	<ul style="list-style-type: none"> Reliability and punctuality of services Safety measures Quality and amount of delay and disruption information including timetable changes Route and timetable enquiries Colleague training and development Accessibility and support for passengers with different needs Active travel initiatives 	<ul style="list-style-type: none"> Enhanced safety features and cleaning regimes Rail station improvements with painting to improve the environment and cycle hubs to make active travel easier Development of an Assisted Travel App Sharing of train loading information to enable passengers to identify areas of each train that are least crowded

London & South Eastern Railway Limited

Strategic report

Stakeholder Engagement (*continued*)

Stakeholders	Why the Company engaged	How the Company engaged	Key topics of engagement	How the Company responded
Shareholders We aimed to operate the business responsibly with a strong financial discipline to protect the interests of the Shareholders.	<ul style="list-style-type: none"> • To provide updates relating to the financial performance and position of the business • To ensure the views of shareholders are considered • To establish a mutual understanding of both the Company's and the Shareholder's wider objectives 	<ul style="list-style-type: none"> • Face-to-face meetings and phone calls • Through board meetings 	<ul style="list-style-type: none"> • Matters of concern • Financial performance • Supporting DOHL with the mobilisation of SET • Progress of demobilisation activities 	<ul style="list-style-type: none"> • Creation of the Independent Committee to oversee matters of concern • Creation of the Steering Committee to oversee demobilisation activities • Commitment to transparent reporting with clear communications at regular intervals throughout the year
Government & local authorities Policy and regulatory change affected the business and created a framework through which it operated. Working closely with both central and local government enabled the Company to contribute private sector experience and expertise to the public agenda and produce better policy outcomes and service delivery	<ul style="list-style-type: none"> • To fulfil contractual obligations requiring regular structured engagement • To provide financial and operational performance information • To address serious errors made in the quality of past engagement with the DfT as set out on page 3 • To contribute its private sector experience and expertise to the public agenda • Produce better policy outcomes • Produce better service delivery 	<ul style="list-style-type: none"> • Monthly Board and finance review meetings • Weekly senior meetings • Liaison with the Company's contract management team • Other ad hoc meetings and correspondence • Direct open, collaborative and constructive engagement between the Independent Committee and the DfT on the calculation of profit share payments and treatment of certain overpayments • Meetings • Newsletters and email correspondence • Parliamentary engagement events • Representation at local council committee meetings 	<ul style="list-style-type: none"> • Matters of concern • Contractual arrangements and features • Proactive engagement with local authorities • Apprenticeships, skills and diversity • Supporting DOHL with the mobilisation of SET 	<ul style="list-style-type: none"> • Agreed a settlement with the DfT regarding matters of concern • Engagement with DfT and industry partners on rail reform • Campaigns on customer recovery and confidence • Creation of reporting structure to support DOHL with the mobilisation of SET
Strategic Partners and Suppliers The Company had strong relationships with transport authorities and Industry bodies to deliver efficient, high quality services.	<ul style="list-style-type: none"> • To develop strong relationships • To ensure closer alignment of values • To provide collaborative and innovative solutions to societal challenges • To ensure those with whom we work demonstrate a commitment to sustainability, employee wellness and diversity • To ensure the effective delivery of contracts 	<ul style="list-style-type: none"> • Collaborative working with partners to deliver specific solutions • A dedicated contract manager for each supplier • Regular meetings to discuss supplier performance and areas for improvement, identifying 	<ul style="list-style-type: none"> • Specific industry solutions • Collaborative approach • Fair contract and payment terms • Prompt payment 	<ul style="list-style-type: none"> • Continued engagement with Network Rail and HS1 at multiple levels • Set targets on payment performance and complied with the Prompt Payment Code

London & South Eastern Railway Limited

Strategic report

Stakeholder Engagement (*continued*)

Stakeholders	Why the Company engaged	How the Company engaged	Key topics of engagement	How the Company responded
Communities As an operator of public transport, the Company aimed to provide a vital service to communities, transporting passengers to work, education, facilities and services along with providing accessible travel within the areas it operated.	<ul style="list-style-type: none"> To find the best solutions for connecting people with family, friends, work and facilities To enable us to respond appropriately to the needs of our communities To maintain our focus on operating responsibly within society 	<ul style="list-style-type: none"> Stakeholder forums providing effective two-way engagement with communities Regular updates through social media, website and App to keep communities informed Collaboration with local charities, participating in volunteering and fundraising initiatives 	<ul style="list-style-type: none"> Engaging and responding to community needs Providing timely and accurate travel information to ensure safety and adherence to government guidelines on public transport 	<ul style="list-style-type: none"> Local meetings with MPs and transport groups Regular stakeholder newsletters Developed active travel plans for customers at rail stations

Principal Decisions

Under the Group's devolved management operating model, at least one of the Group's executive directors sat on the board of the Company and acted as an intermediary with the Group Board. However, although advice may have been sought at Group level, the Company's board operated and made decisions independently, in the interests of the stakeholders. The principal areas of focus considered by the board during the year ended 2 July 2022 in accordance with Section 172 are set out below:

Decision	Stakeholders considered	Section 172(1) stakeholder considerations and impacts
Appointment of an OLR mobilisation support team	Government Our people Shareholders Customers Strategic Partners & Suppliers Communities	<p>The Board recognised the Company's contractual commitments to the DfT to facilitate the transfer of passenger services and TUPE of employees to SET on 17 October 2021 and also recognised the reputational impact on the Company's Shareholders should the transfer processes not be given due care and attention with no noticeable impact on the Customers, Strategic Partners & Suppliers or Communities that Southeastern serves.</p> <p>Shortly after the DfT's announcement on 28 September 2021 of the OLR's appointment, the Board designated one member of the Company's executive team along with senior managers within the business to engage with the OLR. The executive team member then reported into the Company's Managing Director and his executive team on a weekly basis and presented progress to the Board on a monthly basis.</p> <p>The Company, along with the OLR, managed the information that was provided to the Company's employees to keep them informed and engaged in the transfer process.</p>
Appointment of the Steering Committee to oversee the demobilisation activities of the Company	Government Shareholders	<p>As a result of the DfT's announcement on 28 September 2021 a Steering Committee was established, consisting of representatives from the shareholders of Govia along with expertise from the Group, to monitor and control the Company's remaining activities from 17 October 2021. The Steering Committee's role was to oversee the demobilisation activities, collection of outstanding debts and settling remaining liabilities.</p> <p>These demobilisation activities included the transfer of assets and liabilities to SET, facilitating this process and proposing sensible commercial positions in discussions with SET where judgement was required.</p>

Strategic report

Principal Decisions (*continued*)

The principal area of focus considered by the Group board that affected the Company during the year ended 2 July 2022 is set out below:

Decision	Stakeholders considered	Section 172(1) stakeholder considerations and impacts
Open, collaborative & constructive engagement with the DfT	Government Shareholders	<p>In August 2021 an Independent Committee was established comprising the respective chairs of the Group and Keolis and an Independent Review was commissioned into the Company's performance of its contractual obligations under its franchise agreements. Shortly after its conclusion the findings were shared with the DfT. Throughout the process the Independent Committee was focused on open, collaborative and constructive engagement with the DfT with a view to reaching a full and satisfactory settlement.</p> <p>The Independent Committee concluded that, notwithstanding the complexity of the Company's franchise agreements, serious errors had been made in relation to the Southeastern franchise with respect to engagement with the DfT over several years. In particular, failure to notify the DfT of certain overpayments or monies due to the DfT, the Company breached its contractual obligations of good faith contained in the franchise agreements.</p> <p>Accordingly, apologies have been made to the DfT.</p> <p>As noted on page 3, a settlement of £7,921,000 was made in March 2022 to substantially conclude on the matters of concern and in May 2022 a final notice under the Railways Act 1993 imposed a £23,500,000 penalty for contraventions of the Southeastern franchise agreements. Other than interest of £115,000 that was included in the settlement but was accrued after 3 July 2021, the settlement and penalty notice amounts were fully recognised in the Company's 2021 financial statements.</p>

Corporate Governance report

Corporate governance arrangements

During the year, the Company applied the Wates Corporate Governance Principles for large private companies (the “Wates Principles”). The Wates Principles are published by the Financial Reporting Council (the “FRC”) and are available on its website. The way in which the Company applied these principles is set out below.

Principle 1 – Purpose and Leadership

On 28 September 2021, the DfT announced its decision to appoint the OLR to take over the delivery of passenger services on the Southeastern franchise when the Company's existing franchise contract expired on 17 October 2021. The DfT's decision not to award a National Rail Contract to the Company was a consequence of discussions with the DfT regarding the calculation of profit share payments under the terms of the relevant franchise agreements and the treatment of certain overpayments made by the DfT to the Company over the course of the franchise agreements.

As noted in the Business Review, the Independent Committee concluded that, notwithstanding the complexity of the Company's franchise agreements, serious errors have been made in relation to the Southeastern franchise compliance. The behaviours which contributed to the failings in relation to the management of the Southeastern franchise agreements with the DfT did not reflect the values that the Company or its shareholders expected of its colleagues, nor did they meet the high standards of conduct and governance set and expected.

As a result of the DfT announcement on 28 September 2021 a Steering Committee was established, consisting of representatives of the shareholders of Govia along with other expertise from the Group, to monitor and control the Company's remaining activities from 17 October 2021 onwards following changes to Board and Executive team members. The Steering Committee's role is to oversee the demobilisation activities of the Company (including the transfer of assets and liabilities to the OLR collection of outstanding debts and settling remaining liabilities).

In addition, the Group has increased the remit of the scope of Group Internal Audit to include oversight of compliance with contractual obligations and commercial terms, including the Company's remaining contractual obligations.

For further information, see page 3.

Purpose

Prior to the expiry of its franchise agreement on 17 October 2021, whilst the Company did not have a defined purpose statement, this was articulated by its combined vision and mission. The Company was focused on the communities it served and its effective and longstanding partnerships with local user groups, commuter associations, local authorities and elected representatives.

The Company now has no ongoing commercial activities and for further details on the approach to an orderly demobilisation of the Company's business, please see page 6.

Values and Culture

The Company's vision was to deliver ‘our best ever passenger experience’ and its mission was to achieve ‘85% customer satisfaction and 80% colleague satisfaction’, the latter having been impacted by Covid-19. This vision and mission were distilled into a set of values (‘we care passionately about our people and passengers’; ‘we make the difference together’; and ‘we aim to be the best’) which were developed collaboratively with colleagues through a series of workshops and consultations. The Company developed several behavioural frameworks aligned to the organisation's structure with the Company's vision and mission sitting at the heart of each framework.

Strategy

The Company developed a Strategic Plan which clearly articulated the Company's strategic objectives and included roadmaps setting out action plans for achieving those objectives and the key performance indicators used to measure attainment. The core objectives centred on safety, passengers, performance, people, reputation and financial and contractual commitments. During the Covid-19 pandemic, the Company's strategy continued to be a three phased approach; Respond; Recover and Come back stronger.

Corporate Governance report

Principle 1 – Purpose and Leadership (continued)

The Company's vision, mission, values and behavioural frameworks were all aligned to its strategic objectives and embedded and integrated throughout the employee life cycle through recruitment, induction, training, internal communications, performance development reviews, annual colleague engagement surveys and HR policies and procedures. Periodic pulse surveys, IiP accreditation process and initiatives such as the Extra Mile recognition scheme, which were directly aligned to the Company's values and behaviours provided useful measures of how the Company's people brought the value of its culture to life in their day-to-day roles.

Customer satisfaction was tracked through external / independent and internal surveys with customer feedback and sentiment being monitored through correspondence, social media and the press. The Company had an established People, Passengers and Reputation Board which met every four weeks to oversee cultural measures and indicators.

Principle 2 – Board Composition

The Board operates in accordance with the Govia Limited Revised Shareholders Agreement and Side Letter dated 3 August 2005.

Changes in Board members

During the year ended 2 July 2022, the Board comprised the Group Chief Executive and the Group Chief Financial Officer (the Group executive directors), the Company's Managing Director, the Company's Finance Director and the Group Managing Director of Business Development (together the Go-Ahead directors) and two Keolis directors.

In the 2022 financial year, Elodie Brian resigned as Group Chief Financial Officer and director of the Company with effect from 27 September 2021. She was replaced in this role by Gordon Boyd who was appointed as Interim Group Chief Financial Officer and director of the Company with effect from, and including, 28 September 2021 up to and including 28 March 2022 when he resigned. David Brown retired as Group Chief Executive and director of the Company with effect from 5 November 2021 and was succeeded in these roles by Christian Schreyer with effect from the same date. Felix Beeson resigned as the Company's Finance Director with effect from 12 October 2021 and David Statham resigned as the Company's Managing Director with effect from 22 October 2021.

Balance and diversity

All Go-Ahead directors on the Board during the year were full time employees of either the Group or the Company. The Chairman (the Group Chief Executive) led the Board and promoted a culture of open and constructive debate. This role was separate to that of the Company's Managing Director who was empowered to operate the business autonomously with the support of the rest of the Board.

During the first 6 months of the year, the Board met on a monthly basis to scrutinise and challenge management's execution of strategy and to monitor the immediate demobilisation activities being undertaken by a newly formed Steering Committee. The Group and Keolis UK directors brought a range of perspectives from different businesses and geographies to Board discussions. The Train Services Director attended Board meetings monthly and other members of the Company's Executive Team attended on rotation by invitation for deep dive exercises.

During the last 6 months of the year the Steering Committee regularly reported into the Board on progress in the demobilisation activities of the company and its stakeholder relationships. Such reports were delivered in meetings or by correspondence, depending on the information being presented.

With the ever-evolving regulatory landscape in which the Company operated the Southeastern franchise, it was critical, notwithstanding the issues mentioned above, that the Board maintained a good working knowledge of the transport sector and how the Company operated within its sector, as well as being aware of recent and upcoming developments in the wider legal and regulatory environment. To assist the Board in undertaking its responsibilities, regular presentations were provided from senior management. Where required, support was also provided from Group Company Secretariat.

Corporate Governance report

Principle 2 – Board Composition (*continued*)

Effectiveness

The Board held regular meetings during the year. All directors were expected, wherever possible, to attend all Board meetings. Whilst the Company was responsible for the delivery of passenger services on the Southeastern franchise, the Board received regular and timely information (at least monthly) on the key business areas for each of the Company's Directorates: Safety, Finance, Train Services, Passenger Services, Commercial, HR and Communication and Publicity. This included a KPI and Period Report for each area as well as a cycle of deep dive presentations by function.

Principle 3 – Director Responsibilities

Accountability

The Company's corporate governance practices are set out in the Board Manual which addresses matters such as board procedures, directors' duties and risk management. The Board Manual is reviewed and, if necessary, updated annually by the Group. Revisions are communicated to the Company's Managing Director, who was responsible for implementing any changes. Under the Group's devolved operating model, the board was responsible for the day-to-day running of the Company's business but remained accountable to the Group for business performance and compliance with key Group policies.

The Group's executive directors attend Company board meetings to provide appropriate support and challenge from the shareholder perspective. Conflicts of interest, including interests in a proposed transaction or other arrangement, are a standing board agenda item that requires directors to declare any actual or potential conflicts or interests they might have. A conflicted director is expected to recuse themselves from the relevant board discussion. Governance processes are kept under regular review and the Board Manual is updated annually by the Group.

The Group Board reviewed governance processes, including policies and procedures, on at least an annual basis to ensure that these remain fit for purpose and strengthen the governance of its operating companies. During the year, the Company complied with the Group Policies and Procedures Manual and reported its compliance to the Group on a self-certification basis.

Authorisations given by the Board were for an indefinite period, with the Board retaining the power to vary or terminate the authorisation at any time.

Integrity of information

In accordance with the Board Manual, prior to franchise contract cessation, every board meeting agenda included a report from the Managing Director covering financial performance and KPIs, capital expenditure, contracts and franchise bidding, health and safety, operating and engineering performance, people and engagement, market and competition, and industrial relations.

Principle 4 – Opportunity and Risk

Opportunity

As the Company forms part of the Group, the Company's board of directors made a business plan proposal to the Group as part of the Group's annual corporate plan. With support from the Group, the Company's Board is responsible for implementing the proposal. Information on stakeholders, and the impact on them of Board decisions, is set out on pages 11 to 14 within the strategic report.

Corporate Governance report

Principle 4 – Opportunity and Risk (*continued*)

Risk

During the year, the assessment of key principal and emerging risks was embedded within the day to day operations and processes of the Company. Such assessments were consolidated and reviewed as part of Board reporting as well as being reported to the Group twice a year in accordance with full year and half year results reporting. As part of this reporting process, risk reports were completed which outlined the key principal and emerging risks facing the company, provided an explanation of the procedures in place to mitigate and manage such risks and prioritised the most important risks from both an inherent and residual perspective. These reports were then discussed with the Group executive directors at bi-annual risk Board meetings with discussion focused on the most important risk and control areas within the business. Following such meetings, the Group executive directors reported to the Group audit committee with final approval being granted by the Group Board for key risks that could have a material impact on the Group performance, strategy or business model.

Responsibilities

The Company benefits from the Group's risk management and internal control framework, and aligns with the Group's stated risk appetite, but remains responsible for identifying emerging and established risks facing the Company. The Company's principal risks are set out on pages 7 to 9 within the strategic report.

Principle 5 – Remuneration

There is a common approach to remuneration principles across all the Group's businesses, including the Company. Reward should be sufficient to attract and retain appropriate talent and it should support the delivery of business strategy. For the Group's executive directors who were appointed to the Company's board for part of the year, remuneration was determined by the Group's remuneration committee in line with Group remuneration policy. Further details of the policy and its implementation are set out in the Group Annual Report and Accounts 2022 which can be found on the Group's website www.go-ahead.com/investors/results-reports-and-presentations.

Remuneration of the remainder of the Company's board of directors is set out in note 6 on page 44 and it was determined by the Group Board in line with the Group's Senior Management Remuneration Policy. Remuneration was structured to support both the financial objectives and the strategic priorities of the Group in a manner which was aligned with shareholders' and stakeholders' long-term interests.

Since November 2020, following the government's announcement of a public sector pay freeze in November 2020, and up to the expiry of the franchise agreement on 17 October 2021 the Company operated a mandated pay freeze for rail workers and suspended bonus payments and most discretionary benefits.

Principle 6 – Stakeholders

A description of the Company's key stakeholders, how the Company's board has engaged with them and the outcomes of that engagement are set out on pages 11 to 14 within the strategic report.