

1	<b>MATTERS RESERVED FOR THE BOARD</b>	
	1.1	<b>STRATEGY &amp; MANAGEMENT</b>
	1.1.1	Responsibility for the overall leadership of the Company and setting the Group's purpose and values.
	1.1.2	Establishing the Group's strategic aims and long-term objectives including: <ul style="list-style-type: none"> <li>• approval of the three-year financial plan; and</li> <li>• endorsement of the annual 'DfT TOC' budget agreed with the DfT.</li> </ul>
	1.1.3	Oversight of the Group's operations ensuring: <ul style="list-style-type: none"> <li>• competent and prudent management;</li> <li>• sound planning;</li> <li>• integral management and internal control systems;</li> <li>• adequate accounting and other records; and</li> <li>• compliance with statutory and regulatory obligations.</li> </ul>
	1.1.4	Reviewing performance against the Group's purpose, strategic aims, objectives, business plans and budgets, and ensuring that any necessary corrective action is taken
	1.1.5	Extension of the Group's activities into a new country or ceasing operations in a particular country.
	1.1.6	Extension of the Group's activities into a new, or termination of an existing, material area of business.
	1.2	<b>STRUCTURE &amp; CAPITAL</b>
	1.2.1	Major changes to the Group's <b>capital</b> structure including: <ul style="list-style-type: none"> <li>• reduction of capital;</li> <li>• share issues (except under employee share plans);</li> <li>• share buy-backs, including the use of treasury shares (except under employee share plans);</li> <li>• split or consolidation of share capital; and</li> <li>• issuance, redemption or conversion of any debt or security.</li> </ul>
	1.2.2	Any acquisition or investment involving the use of shares in a Group company.
	1.2.3	Major changes to the Group's <b>corporate</b> structure (that have a +/- £15m change in consolidated net assets), including acquisitions and disposals which are material relative to the size of the Group (taking into account initial and deferred consideration).
	1.2.4	Major changes to the Group's divisional management and control structure.
	1.2.5	Any changes to the Company's listing or its status as a plc, including having a secondary overseas listing.
	1.3	<b>FINANCIAL REPORTING AND CONTROLS</b>
	1.3.1	Preliminary/final half-yearly results, pre-close and trading updates announcements and any material or related announcements including all other statements and notices published simultaneously.
	1.3.2	Annual report and accounts, including the corporate governance statement, the directors' remuneration report, the directors' report and the viability statement, and any material or related announcements including all other statements and notices published simultaneously.
	1.3.3	Dividend policy, including any declaration of an interim or special dividend; recommendation of final dividends and approval of other distributions to shareholders.
	1.3.4	Any significant changes in accounting policies or practices.
	1.3.5	Group's treasury policies and treasury delegated authorities.
	1.3.6	Significant change in the Group's tax policy and objectives or a change in its tax residence.
	1.3.7	Annual CAPEX and OPEX budgets, including final DfT budget.
	1.3.8	Any binding bids for, or early terminations of, Rail franchise or successor forms of contract.
	1.3.9	Any parent company guarantees provided by FirstGroup plc that is above the limits delegated under the Treasury Delegated Authorities (£15m leasing / £50m finance leases as of March 2023)
	1.3.10	Any transaction, agreement, undertaking, obligation, settlement, action or other matter whatsoever which bears a disproportionately high level of risk, or which could have a significant effect on the strategic or financial plans of the Company, any major subsidiary or the Group, or on their reputations, affairs or financial positions.
	1.3.11	Overall levels of insurance for the Group and major changes to the Group's insurance programme, including directors' & officers' liability insurance.
	1.3.12	Any substantial changes to a pension scheme,(except where required by legislation), including: significant additional contributions; changes to the scheme which are expected to lead to a significant additional cost or risk to the Group.
	1.3.13	Establishing any new defined benefit pension schemes (including any such schemes that are acquired as part of a corporate transaction).
	1.3.14	Any new defined contribution pension schemes established to meet a Regulatory or Contractual need; approval of any contributions above the statutory minimum that are in line with an approved budget.
	1.3.15	Appointment, reappointment or removal of the external auditor to be put to shareholders for approval in a general meeting, following the recommendation of the audit committee.
	1.3.16	Appointment or dismissal of the Company's principal corporate advisers.
	1.3.17	Loans of any nature to any director or director(s).
	1.4	<b>INTERNAL CONTROL &amp; RISK MANAGEMENT</b>
	1.4.1	Ensuring maintenance of a sound system of internal control and risk management including: <ul style="list-style-type: none"> <li>•determining the risk appetite of the Group, including approval of the Group's corporate risk register;</li> <li>•overseeing, and at least annually, reviewing the effectiveness of, the Group's risk and control processes to support its strategy, objectives and values, including procedures for the detection and prevention of fraud and bribery;</li> <li>•carrying out a robust assessment of the principal and developing risks facing the Group; and</li> <li>•approving any appropriate statement for inclusion in the annual report.</li> </ul>
	1.4.2	Notification of any material fraud (through the Audit Committee).
	1.5	<b>COMMUNICATIONS</b>
	1.5.1	Understanding the views of the Group's key stakeholders, considering the balance of interests between stakeholders. Ensuring effective engagement with the Group's stakeholders, including shareholders, the workforce, customers, suppliers and the community.
	1.5.2	Resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
	1.5.3	Any listing particulars, circular, prospectus or other document required to be sent to shareholders (other than routine announcements or filings and debt listing particulars).
	1.5.4	Any press releases concerning matters decided by the Board and share price sensitive information.
	1.6	<b>BOARD MEMBERSHIP &amp; EXECUTIVE APPOINTMENTS</b>
	1.6.1	Changes to the structure, size and composition of the Board following recommendations from the nomination committee.
	1.6.2	Ensuring adequate succession planning for the Board and senior management.
	1.6.3	Appointments to or removals from the Board following recommendations from the nomination committee.
	1.6.4	Selection of the Chairman of the Board and the Chief Executive Officer.
	1.6.5	Appointment of the senior independent director to provide a sounding Board for the Chairman and to serve as intermediary for the other directors when necessary.
	1.6.6	Membership and chairmanship of Board committees following recommendations from the nomination committee.
	1.6.7	Continuation in office of Company directors at the end of their term of office, when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate.
	1.6.8	Continuation in office of any plc director at any time, including the suspension or termination of service of an executive director as an employee of the Company, subject to the law and their service contract.
	1.6.9	Appointment or removal of the company secretary.
	1.7	<b>REMUNERATION</b>
	1.7.1	Determining the remuneration policy for the directors, company secretary and other senior executives.
	1.7.2	Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.
	1.8	<b>DELEGATION OF AUTHORITY</b>
	1.8.1	Determining the division of responsibilities between the Chairman, the Senior Independent Director, Committee Chairs, the Chief Executive and other executive directors.
	1.8.2	Approval of the delegated levels of authority, including the Chief Executive's authority limits.
	1.8.3	Establishing Board committees and approving their terms of reference and approving material changes thereto.
	1.8.4	Receiving reports from Board committees on their activities.
	1.8.5	This schedule of Matters Reserved for the decision of the FirstGroup Board.
	1.9	<b>CORPORATE GOVERNANCE</b>
	1.9.1	Undertaking a formal and rigorous annual review of its own performance, that of its committees and individual directors, and the division of responsibilities.
	1.9.2	Determining the independence of non-executive directors in light of their character, judgment and relationships.
	1.9.3	Considering the balance of interests between shareholders, employees, customers and the community.
	1.9.4	Reviewing the Group's overall corporate governance arrangements.
	1.9.5	Approval of conflicts of interest, where permitted by the Company's articles of association.
	1.10	<b>POLICIES</b>
	1.10.1	Key Group-wide internal policies and any material changes thereto.
	1.10.2	Approval of material changes in principal accounting policies and practices (on recommendation of the Audit Committee).
	1.11	<b>OTHER</b>
	1.11.1	Political donations.
	1.11.2	Nomination of sponsored charities.
	1.11.3	Prosecution, defence or settlement (including by alternative dispute resolution mechanism) of litigation or any regulatory matter which is of material significance to the interests of the Group (excluding insured claims).
	1.11.4	Dealings outside the normal course of business with regulatory authorities on matters of significance to the Group.