Governance report

Contents

Chair's Introduction to Corporate Governance

HELEN WEIR
Chair

"The Group's approach to corporate governance has helped the Board to address the challenges that have arisen during the year and will also allow the right consideration of the issues that may arise in future."

Governance at a glance

Effective decision-making, including in accordance with our s.172(1) duty – see the Board's activities on pages 85 and 86 and our s.172(1) statement on pages 90 and 91.

A focus on Board and senior management succession planning and diversity – see our Nominations Committee Report on pages 106 to 109.

Robust and ever-evolving risk management and internal controls – see our Audit Committee Report on pages 98 to 105.

A drive to be an environmental leader and the employer of choice – see our Sustainability Committee Report on pages 110 and 111.

Carefully balanced executive pay decisions – see our Annual Statement by the Remuneration Committee Chair and Directors' Remuneration Report on pages 113 to 127.

Corporate Governance Compliance Statement

The Board is pleased to report that the Company has applied the Principles and complied with the Provisions of the UK Corporate Governance Code issued by the FRC in July 2018 for its financial year ended 31 December 2024. The Code is publicly available from the FRC website here: https://www.frc.org.uk/library/standards-codes-policy/corporate-governance/uk-corporate-governance-code/.

This Corporate Governance Report as a whole explains how the Company has applied the Principles and complied with the Provisions of the UK Corporate Governance Code, but below is a guide to where the most relevant explanations are given for each of the Principles:

	Principles	Pages
Board leadership and Company purpose	A, B, C, D and E	Pages 84 to 89 and pages 92 to 94
Division of responsibilities	F, G and H	Pages 87 to 89
Composition, succession and evaluation	I, J, K and L	Pages 106 to 109
Audit, risk and internal control	M, N and O	Pages 98 to 105
Remuneration	P, Q and R	Pages 112 to 127

This Corporate Governance Report describes our governance practices. Our corporate governance framework within which those practices operate is available on our website here: https://www.mobicogroup.com/about-us/corporate-governance/governance-framework/.

Strategy, risk management, internal control, and safety and environmental leadership

The Board is responsible for reviewing the Group's strategy and its management of risk and ensuring that there is a robust system of internal control in place. The Board, supported by its Audit and Sustainability Committees, has been active during 2024 in discharging these responsibilities, by: (i) reviewing options for, and progress against, the Group's deleveraging plans, including monitoring and providing oversight of the sales process for its North America School Bus disposal and progressing smaller disposals in the UK, (ii) monitoring progress against the Evolve strategy, and (iii) conducting 'deep dive' reviews of Group-wide and divisional risks, and (iv) monitoring the Group's overall compliance, safety and sustainability programmes. At the same time, controls over capital allocation and costs, while ensuring that the Group has the resources it needs, have been a key focus of the Board's activity during the year. However, there is a recognition that significant control weaknesses have been identified in the year with respect to the future cashflow forecasts prepared by management and further issues in respect of the German Rail business, which included the identification of a prior year restatement.

Further details of these matters are set out throughout the Strategic Report and in the Audit and Sustainability Committee Reports.

Board and senior management composition, succession and diversity

During the year, we said goodbye to Mike McKeon as Chair of the Audit Committee, after nearly nine years' service on the Board and to James Stamp as Group CFO. The Board was delighted to welcome Helen Cowing as Interim Group CFO in June 2024. There were also changes to the composition of our Committees, in particular Enrique Dupuy de Lome Chávarri succeeding Mike as Chair of the Audit Committee in June, and Nigel Pocklington succeeding Karen Geary as Chair of the Remuneration Committee in August.

In February 2025, I informed the Board that for personal reasons I will not stand for re-election as a member of the Mobico Board at the Group's 2025 AGM. The search for my successor was led by the Karen Geary, Senior Independent Director, and the Nominations Committee, together with an external search firm. As announced on 27 March 2025, Phil White will succeed me as Chair of the Board from 1 May 2025.

The Board undertook an external Board review during the year, facilitated by Bernice Dunsmuir of Constal. This review gave us valuable insights into our strengths as a Board and also identified areas for improvement.

Further information about the composition of the Board and its Committees, its succession plans and evaluation, senior management succession, and how diversity and inclusion are being fostered on the Board and across the Group, can be found in our Nominations Committee Report.

Remuneration balance between reward and restraint

The Board, through its Remuneration Committee, is responsible for ensuring appropriate arrangements are in place for rewarding and incentivising management in the context of Company and individual performance as well as the workforce, shareholder and wider stakeholder experience.

The Remuneration Committee has sought to achieve the right balance between rewarding the Executive Directors and incentivising them to continue their work on leading the Company's recovery while exercising appropriate restraint on their total pay. In doing so, the Remuneration Committee has taken regard of the wider stakeholder experience.

Further information about the Remuneration Committee's decisions on Executive Director pay, alongside the regulated information about all Directors' pay, can be found in the Directors' Remuneration Report.

Stakeholder relations

The Board is accountable to its shareholders and wider stakeholders, and considerations relating to stakeholders have remained high on the Board's agenda in 2024, including through direct engagement with equity and debt investors on key matters and direct engagement with the workforce. Engagement with other stakeholders primarily takes place at the divisional level, however, the Board ensures that it hears and understands such views via regular divisional updates. More detail on how the Board engages with its stakeholders is found on pages 95. The Board remains committed to open channels of communication with all stakeholders to be able to hear their views to aid its decision-making. Our s.172(1) statement provides examples of how the Board has considered stakeholders in making Board decisions.

Annual General Meeting

Our Annual General Meeting ('AGM') will be held at 2:30 pm on Monday, 9 June 2025 in the Bevan Suite at BMA House, British Medical Association, Tavistock Square, London WC1H 9JP. Further information will be in the Notice of AGM.

Conclusion

2024 has been another challenging year, as the Group continues its deleveraging journey and rebuilds for the future. The Group's approach to corporate governance has helped the Board to address the challenges that have arisen during the year and will also allow the right consideration of the issues that may arise in future. On behalf of the Board, I would like to thank all of our colleagues, customers, suppliers and many other stakeholders who have contributed to, and supported, the Group during 2024.

Helen Weir
Non-Executive Chair

28 April 2025

Board of Directors

Helen Weir
Non-Executive Chair
Independent on appointment

Appointed: October 2022 and Chair from January 2023

Current external appointments:

- Supervisory Board Member, Koninklijke Ahold Delhaize N.V.

Ignacio Garat
Group
Chief Executive Officer

Appointed: November 2020

Current external appointments:

None

Karen Geary
Senior
Independent Director

Appointed: October 2019

Current external appointments:

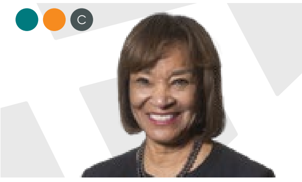
- Non-Executive Director, Sabre Insurance Group PLC
- Non-Executive Director, PageGroup PLC

Jorge Cosmen
Non-Independent
Deputy Chair

Appointed: December 2005

Current external appointments:

None



Carolyn Flowers
Independent
Non-Executive Director

Appointed: June 2021

Current external appointments:

None

Ana de Pro Gonzalo
Independent
Non-Executive Director

Appointed: October 2019

Current external appointments:

- Non-Executive Director, ST Microelectronics NV
- Non-Executive Director, Novartis AG
- Independent Director, National Advisory Board representing Spain before the Global Steering Group for Impact Investment

Nigel Pocklington
Independent
Non-Executive Director

Appointed: August 2023

Current external appointments:

- Chief Executive Officer, Good Energy Group PLC

Enrique Dupuy de Lome Chávarri
Independent
Non-Executive Director

Appointed: November 2023

Current external appointments:

- Non-Executive Director, Wizz Air Holdings PLC

Mike McKeon
Independent
Non-Executive Director

Appointed: July 2015

Resigned: 11 June 2024

External appointments as at 11 June 2024:

None

James Stamp
Group
Chief Financial Officer

Appointed: Interim CFO November 2022 and Group CFO from December 2022

Resigned: 11 June 2024

External appointments as at 11 June 2024:

None

Key

- Audit
- Nominations
- Remuneration
- Sustainability
- Chair

For more information on each of the Directors' experience and key strengths in support of the Company's strategy, please visit the Company's website:

https://www.mobicogroup.com/about-us/our-leadership-team/

Further details about Directors' independence, conflicts of interest and commitment are set out on pages 88 and 89.

Board activity in 2024

Strategy, business and operational performance	• Reviewed options for, and progress against, the Group's deleveraging plans, including monitoring and providing oversight of the sales process for its North America School Bus disposal and progressing with the smaller disposals of UK NXTS businesses including Mortons Travel and Stewarts Coaches • Reviewed the performance of the Group's divisional businesses, including receiving reports from the divisions on their performance versus strategy and their priorities and initiatives • Reviewed and approved bids for significant opportunities to provide transportation services
Financial performance	• Received reports from the Audit Committee on the integrity and reasonableness of, and reviewed and confirmed, the Company's and its Group's full year and half year financial results, the going concern basis on which they were prepared and the Group's viability • Approved the Group's annual budget and five-year plan, and monitored the Group's trading performance against both budget and forecasts in light of changing market conditions, particularly in respect of labour costs and availability, interest rates and inflation and evaluated alternative strategic options to deleverage • Reviewed and agreed the Group's financing requirements, including headroom against Board-set liquidity requirements and bank-set covenants • Monitored progress of productivity and cost reduction programmes and cash-saving opportunities as part of wider efforts to accelerate deleveraging • Considered the Company's dividend policy and approved the decision not to pay a 2024 interim or full year dividend
Risk management and internal control	• Reviewed the Group's risk appetite and its management of principal and emerging Group-wide risks • Received reports from the Audit Committee on its reviews of cyber risk, ransomware and divisional risk management, and its compliance framework 'deep dive' on anti-bribery • Received reports from the Audit Committee on, and reached its own conclusion about, the effectiveness of the Group's system of internal control, including the findings and effectiveness of the internal audit function and the work of the external auditor • Approved the annual renewal of the Group's insurances • Received regular updates on legal and regulatory matters, including material legal claims brought by and against the Group's companies • See page 86 of this Corporate Governance Report for a detailed review of the Board's activity during 2024 in relation to safety
Sustainability	• Received reports from the Sustainability Committee on the progress against the Group's sustainability ambitions, including progress against the Group's environmental targets and strategy and the Group's people targets and strategy • Received people updates relating to engagement survey or pulse survey results, driver shortages, trade union relations and other matters affecting the workforce • Participated in a number of workforce engagement activities, as further described on pages 96 and 97 of this Corporate Governance Report
Leadership and remuneration	• Received and approved recommendations from the Nominations Committee on the proposed size and composition of the Board and each of its Committees and the proposed annual election, or re-election, of Directors at the next AGM • Received a report from the Nominations Committee on senior management succession plans, with a particular focus on the Group finance teams • Received reports from the Remuneration Committee on its activities, including Chair, Executive and senior management pay awards, bonus awards, targets and out-turns, long-term incentive grants, performance conditions and vestings and overall pay conditions across the Group • Consulted with shareholders on the new Directors' Remuneration Policy to ensure shareholder views were understood • Reviewed and approved Non-Executive Director fees
Governance	• Approved the Company's Annual Report, including ensuring that it is fair, balanced and understandable • Considered developments in corporate governance and reporting and how best to implement such developments, such as the introduction of the 2024 Corporate Governance Code • Reviewed the results of the externally facilitated Board and Committee effectiveness evaluation • Reviewed the Board's terms of reference, its Committees' terms of reference and the Group's delegated authority framework • Reviewed and approved the Group's modern slavery statement

Further details about the Board and Committee meetings held during 2024, Directors' attendance at those meetings and the Board and its Committees' processes are set out on pages 88 and 89 of this Corporate Governance Report.

Board activity in 2024 continued

Safety

The Group CEO has overall responsibility for the Group's safety system and performance, supported by the Divisional CEOs, the Group Operations, Maintenance and Safety Director and the Divisional Safety Directors. The Board has direct oversight of the Group's safety system and performance, receiving a safety report and updates at each Board meeting.

Safety system

The Group has well-defined and developed safety systems, standards and policies that operate across its global businesses, which have their foundations in the 'Driving Out Harm' programme that originated in 2011 with 12 Global Safety Standards. This was enhanced in 2017 with the introduction of five new Global Safety Policies relating to speed management, driving evaluation, competence of driving evaluators, driver monitoring and driver performance management. A sixth Global Safety Policy on road vehicle shunting was introduced in 2021. The first six policies are fully implemented across the Group's existing operations and continue to be implemented in those cities and countries in which the Group has more recently commenced operations. 2025 will see the implementation of a 13th Global Safety Standard on wellbeing.

Safety performance

The Board assesses the Group's safety performance and risk by reference to a number of KPIs, the principal one being the Fatality and Weighted Injuries (FWI) index measure. The FWI index weights preventable injuries by severity to give an overall base score, which is normalised by miles operated.

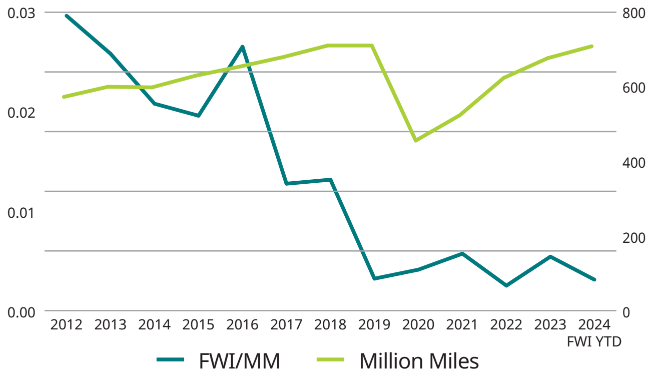
A further KPI measures a preventable accident score which counts the number of vehicle accidents that should, by compliance with the Group's safety system, have been capable of being prevented.

To ensure continued focus on the Group's safety performance, a portion of the bonuses for Executive Directors and senior management is based on the Group FWI index score, with the threshold for payout only being met if there were no preventable fatalities during 2024. The 2024 FWI index target is derived from the Group's average FWI score from the previous three years. The actual score achieved for 2024 is set out in the table below:

KPI Target and 2024 Bonus Target	Bonus Weighting	Target Score	Actual Score
Group FWI index score (per million miles)	15%	0.0047	0.0031

The Board noted that the Group FWI index target for 2024 was met and was the second best result on record, which demonstrates the relentless focus on safety. However, there was one preventable fatality during the year, and therefore although the Group target was achieved, there is no bonus payout on the FWI metric in 2024 for Executive Directors as a result of the fatality.

The impact of the Group's relentless focus, and continuous investment, in safety is illustrated by the graph at the top of the next column. To demonstrate the Group's ongoing focus and commitment to safety, the Remuneration Committee of the Board will continue to include safety metrics within the Executive Directors' and senior management bonus plans for 2025, as set out in the Directors' Remuneration Report.



In addition to assessing safety performance by reference to KPIs, the Board also reviewed all major safety incidents within the Group, their root causes and any lessons to be learned, together with action plans implemented in response to them. It also received updates about a number of specific or new aspects of the Group's safety system, for example:

- following an increase in child check incidents in the North America School Bus business, the Board heard that this would be a key focus area during driver safety training, particularly at the beginning of the new school year. The Board was pleased to hear about the potential use of technology to verify the quality and effectiveness of driver checks;
- the Board was pleased to hear about the roll-out of new cameras to the Group's fleet, and a pilot of the use of AI technology to improve drivers' risk management – demonstrating the Company's focus on continuous improvement;
- the Board were given an overview of mitigations put in place to address the risk caused by inexperienced drivers, who are statistically more likely to be involved in a collision. As a result of the Group's ageing workforce and resulting driver recruitment efforts, the proportion of inexperienced drivers has increased, which meant this was a particular focus area during 2024. This is also an example of how the Group continues to be alert to new and emerging risks and devises plans to mitigate their effects; and
- the Board was updated on the Group-wide actions being taken to mitigate the risks emerging of thermal events on battery electric vehicles. This involves a cross divisional working group to ensure emerging good practice and lessons are shared.

The Group's safety excellence also continued to be recognised externally during 2024, for example: the UK achieved ISO 45001 accreditation and successfully completed 5* BSI safety audits in its Bus division; in Germany, we received an excellence award from the VDV academy for our digital fleet training; and in ALSA, we received an award for 'Commitment to Road Safety and Sustainable Mobility' awarded by the CNAE Foundation (National Confederation of Driving Schools of Spain) and 'Driving out harm at ALSA' was selected as a finalist in the technology and innovation category in the Excellence in Road Safety Awards 2024 by European Road Safety Charter.

The Board believes that the Group's approach to safety, and commitment to continually learning and improving through innovation, ensures it meets, and will continue to meet, its overall strategic ambition of being the safest operator in the industry.

Division of responsibilities

Roles and responsibilities

The Board has agreed a clear division of responsibilities between the Chair and Group Chief Executive Officer. Other roles are also clearly defined to enhance Board effectiveness. A summary of those roles and responsibilities is set out below:

Chair Helen Weir[1]	• Provides overall leadership to, and ensures the effectiveness of, the Board • Sets the agenda, character and tone of Board meetings and discussions • Maintains an effective working relationship with the Group Chief Executive Officer • Leads the annual performance evaluation of the Board and its Committees and ensures Non-Executive Directors make effective contributions • Assists the Board in understanding stakeholders', including shareholders', views
Deputy Chair Jorge Cosmen[2]	• Maintains a close dialogue with the Chair and the Group Chief Executive Officer • Supports and deputises for the Chair as required • Assists the Group Chief Executive Officer in developing strategy, in view of his deep knowledge of the Group and the passenger transport sector
Group Chief Executive Officer Ignacio Garat[3]	• Develops the Group's strategy for consideration and approval by the Board and provides effective leadership to the GEC in the delivery of that strategy • Responsible for the management of the Group's operations, including the Group's safety and sustainability activities • Manages, with the GEC members, relationships with key stakeholders, from shareholders to key customers and suppliers • Communicates the Group's progress against strategy and operational performance to investors and analysts • Leads the workforce and sets the Group's culture 'from the top'
Group Chief Financial Officer Helen Cowing[4]	• Works closely with the Group Chief Executive Officer in the development and delivery of the Group's strategy • Responsible for the financial stewardship of the Group and management of its resources through appropriate accounting, financial and other internal controls • Directs and manages the Group's finance, risk management, internal audit, insurance, tax and treasury functions • Manages investor relations, including by communicating the Group's financial performance to investors and analysts
Senior Independent Non-Executive Director Karen Geary	• Acts as a sounding board for the Chair and a trusted intermediary for other Directors • Available to investors to discuss any concerns that cannot be resolved through the normal Chair or Executive Director channels • Leads the Board in the annual performance evaluation of the Chair and in developing Chair succession plans
Independent Non-Executive Directors Ana de Pro Gonzalo, Carolyn Flowers, Nigel Pocklington and Enrique Dupuy de Lome Chávarri	• Monitor and scrutinise the Group's performance against its strategic goals and financial plans • Bring objective perspective to the Board's deliberations and decision-making, drawing on their collective experience and individual expertise and insights • Chair and otherwise play lead roles in the functioning of the Board's Committees • Monitor and assess the Group's culture, use appropriate and effective means to engage with the workforce and acquire an understanding of stakeholders' views • Monitor and assess the effectiveness of, and support and constructively challenge, the Executive Directors
Group General Counsel & Company Secretary Simon Callander	• Provides advice and support to the Board, its Committees, the Chair and Directors individually as required • Responsible, with the Chair, for setting the agenda for Board meetings and for high-quality and timely information and communication between the Board and its Committees, and between the Directors and senior management as required • Ensures that Board and Committee procedures are complied with

1 Independent on appointment
2 Non-independent Non-Executive Director
3 Executive Director
4 Helen Cowing was appointed as the Interim Group Chief Financial Officer. She is not a statutory Board member

Division of responsibilities continued

Board and Committee meeting attendance

The Board and its Committees conduct their business at scheduled meetings during the year. Additional meetings are held, and other arrangements made, to consider and decide ad hoc matters outside of scheduled meetings. The table below sets out the attendance by Directors and Committee members at the scheduled meetings of the Board and its standing Committees in 2024:

Attendance at meetings	Board	Nominations Committee	Audit Committee	Remuneration Committee	Sustainability Committee
Total meetings in 2024[1]	**7**	**3**	**5[2]**	**4**	**3**
Executive Directors[3]					
Ignacio Garat, Group Chief Executive Officer	7	–	–	–	–
James Stamp, Group Chief Financial Officer[4]	3	–	–	–	–
Chair and Non-Executive Directors					
Helen Weir	*7	3	–	4	3
Jorge Cosmen	7	*3	–	–	3
Carolyn Flowers	7	3	5	–	*3
Karen Geary[5, 6]	6	2	–	*4	2
Mike McKeon[7]	3	1	*3	–	–
Ana de Pro Gonzalo[8]	7	–	5	2	–
Nigel Pocklington[6, 9]	7	–	–	*4	2
Enrique Dupuy de Lome Chávarri[7, 10]	7	2	*5	–	–

1 Some of the Board and Committee decisions were taken outside of scheduled meetings during the year and the Chair of the Board and the Executive Directors were also invited to attend certain meetings of the standing Committees of the Board where appropriate, neither of which are shown in the table above. The Disclosure Committee and Executive Committee of the Board met during 2024 as and when required but these meetings are not reflected in the table above given the nature of these committees means that such meetings are not scheduled.

2 The total number of scheduled meetings of the Audit Committee includes the January 2024 meeting, which was originally scheduled for December 2023, as reported on page 86 of the 2023 Annual Report.

3 Helen Cowing attends Board and certain Committee meetings in her capacity as Interim Group Chief Financial Officer but is not included in the above table as she is not a member of the Board.

4 James Stamp stood down from the Board on 11 June 2024 having attended all meetings of the Board held during the year prior to this date.

5 Karen Geary was not able to attend the November Board, Sustainability and Nominations Committee meetings due to exceptional circumstances.

6 Karen Geary was Chair of the Remuneration Committee until 1 August 2024, after which Nigel Pocklington succeeded her as Chair of the Remuneration Committee with effect from the same date.

7 Mike McKeon stood down from the Board on 11 June 2024 having attended all meetings of the Board, Audit and Nominations Committee held during the year prior to this date. He was Chair of the Audit Committee until he stood down on 11 June 2024, following which Enrique Dupuy de Lome Chávarri succeeded him as Chair of the Audit Committee from the same date.

8 Ana de Pro Gonzalo could not attend two of the Remuneration Committee meetings, as these meetings had to be rearranged to dates where she already had pre-existing commitments.

9 Nigel Pocklington was unable to attend a Sustainability Committee meeting due to an unavoidable conflict.

10 Enrique Dupuy de Lome Chávarri was appointed a member of the Nominations Committee on 11 June 2024 and attended all meetings of the Committee held after this date.

* Board Chair or Committee Chair

Director independence

The Board reviews the independence of its Non-Executive Directors annually in advance of proposing Directors for election or re-election at the AGM. The Nominations Committee also considers Non-Executive Director independence on an ongoing basis as part of its consideration of the composition of the Board.

Helen Weir was considered independent on appointment as Chair. Mr Cosmen, the Deputy Chair, is not considered independent due to his long tenure on the Board (19 years), his close links with the Group's business (especially the ALSA business) and the interests the Cosmen family hold in shares in the Company. However, Mr Cosmen's extensive experience in the passenger transport industry and deep understanding of the Group's business enables him to provide the Board with valuable support when reviewing strategic and operational matters.

On the advice of the Nominations Committee, the Board considers all other serving Non-Executive Directors to be independent.

Director conflicts of interest

The Board operates a policy to identify and manage situations declared by Directors (in accordance with their legal duty to do so) in which they or their connected persons have, or may have, an actual or potential conflict of interest with the Group. The Board considers such situations as they arise and decides whether to authorise any conflict based on the overriding principle that a Director must at all times be able to exercise independent judgement to promote the success of the Group.

A register of Directors' actual and potential conflicts of interest, together with authorisations previously given by the Board, is maintained by the Group General Counsel and Company Secretary. Following review by the Nominations Committee of the application of this policy during the year under review, the Board is satisfied that no Director conflict situation currently exists.

Director commitment and external appointments

The Directors' ability to commit sufficient time and attention to their duties, including having regard to their external appointments, is reviewed by the Board annually in advance of Directors being proposed for election or re-election at the AGM, following recommendation from the Nominations Committee. All Directors are expected, and required by their appointment terms, to commit sufficient time to the Board and the Group in order to carry out their duties. They are also required, by their appointment terms, to seek the Board's approval to take on significant new commitments.

The Board's policy on Directors' commitment and external appointments gives guidance on what constitutes a significant commitment outside the Group and the process to follow to seek approval for new external appointments. The policy guides that the Board will not normally approve Executive Directors holding more than one other significant commitment, such as a non-executive directorship in another publicly traded company, and will not normally approve Non-Executive Directors holding more than five 'mandates' as defined in the policy.

A register of Directors' external appointments is maintained by the Group General Counsel and Company Secretary. Details of all Directors' current significant external appointments are included in their biographies on the website here: https://www.mobicogroup.com/about-us/our-leadership-team/.

Following recommendation by the Nominations Committee, the Board considers, taking into account Directors' attendance at Board and Committee meetings, their contributions to the Group outside the Boardroom and their other current significant commitments, including external appointments, that all the Directors are able to devote sufficient time and attention to their duties.

Board and Committee processes

The Board has a schedule of matters reserved for its approval, which matters include: strategy review, risk appetite and Group-wide principal and emerging risk review; major acquisitions, disposals, bids and contracts; share capital changes and debt financing; review of financial results and approval of business plans and budgets; setting and changes to key corporate policies; Board and Committee membership; and corporate governance arrangements. Other responsibilities and authorities have been delegated by the Board to its standing Committees, comprising its Nominations, Audit, Remuneration, Sustainability, Executive and Disclosure Committees.

The schedule of matters reserved to the Board and the terms of reference of each of its standing Committees, which are reviewed and approved by the Board annually, can be found on our website at www.mobicogroup.com. Matters that fall outside of those reserved to the Board or its standing Committees fall within the responsibility and authority of the Group Chief Executive Officer and/or the Group Chief Financial Officer and are either reserved to them or delegated by them further pursuant to a Group Delegated Authorities Framework which is also reviewed and approved by the Board.

The Chair of the Board and Group General Counsel and Company Secretary, in consultation with the Chief Executive Officer and Chairs of the Committees, maintain a scheduled 12-month programme of business for the Board and its standing Committees. This incorporates flexibility for additional business to be discussed as required either at those scheduled or additional ad hoc meetings of the Board or its Committees.

During the year, the Board reviews updates from the Executive Directors on the Group's strategic, operating and financial performance, and from other members of the Group Executive Committee including the Group General Counsel and Company Secretary on legal compliance and corporate governance and the Group Operations, Maintenance and Safety Director on the Group's safety performance.

Committee Chairs provide summaries of the main decisions and recommendations arising from Committee meetings to ensure non-members are kept up to date with the work undertaken by each Committee. Senior management and external advisers regularly attend both Board and Committee meetings where detailed discussions on specific matters on which their input or advice is needed take place.

If a Director is unable to attend a meeting due to illness or exceptional circumstances, they still receive all supporting papers in advance of the meeting and are invited to discuss with, and provide input to, the Chair of the Board, relevant Committee Chair or the Group General Counsel and Company Secretary on the business to be considered at that meeting. Feedback is provided to any absent Director on the key decisions taken at the meeting.

The Board has access to the Group General Counsel and Company Secretary for support and advice as required, and the Company operates a policy that allows Directors to obtain, at the Group's expense, independent professional advice where required to enable them to fulfil their duties effectively.

In addition to Board and Committee meetings, Non-Executive Directors hold private meetings without the Executive Directors present, including to discuss Executive Director performance. There are also opportunities during the year for Directors to have informal discussions outside the Boardroom, either between themselves or with senior management or external advisers.

Further, Non-Executive Directors have the opportunity, throughout the year, to attend seminars and discussion groups on matters relevant to their roles and responsibilities or on topics of interest to the Company, including through the Deloitte Academy and Chapter Zero.

Section 172(1) statement

The Board makes decisions after careful consideration of all relevant factors including, but not limited to, those specified in s.172(1) Companies Act 2006. Examples of some of the decisions taken by the Board or its Committees during the year and an explanation of which factors the Directors had regard to when reaching such decisions, including those set out in Section 172(1)(a) to (f) of the Companies Act 2006, are set out in the table below:

Board decision	Directors' consideration of factors in accordance with s. 172(1)
Approve the launch of a full sales process for its North American School Bus business	• in line with the Group's commitment to disciplined capital allocation and de-leveraging as well as its focus on future return-enhancing growth, the Board made the decision to launch a full sales process for its North American School Bus business, with the objective of accelerating the Group's deleveraging while enhancing financial flexibility to focus on opportunities with higher return potential
	• wider stakeholder implications for the North American School Bus business, including greater certainty for colleagues, longer-term financial security for the business in a less capital constrained environment and better ability to bid and win contracts thereby fostering business relationships and servicing more of the community
Approved the decision to delay the publication of the FY23 accounts	• the decision to delay publication of the Group's FY23 accounts ensured that management had sufficient time to conclude its review and the Group's auditor, Deloitte, had sufficient time to complete its audit. Ensuring that the Group's financial reporting is accurate is fundamental to the Group's reputation and ensures that all stakeholders have accurate to high-quality information
Approved recommendations from the Nominations Committee on the appointment of a new Interim Group CFO and changes to the Committees' membership	• the appointment of a new Interim Group CFO with experience in both transformational and turnaround situations as well as changes to the membership of some of the Board's Committees, thereby ensuring that suitably experienced and qualified individuals with key experience in their areas of expertise are appointed to the Committees to help deliver strong financial outcomes, accelerate the Evolve strategy and support the long term success of the Group
	• colleagues benefit from clear leadership being in place, especially during a period of transformation and turnaround
Adoption of new Scope 1, 2 and 3 GHG emissions targets, which were approved by SBTi	• the Group adopted new Scope, 2 and 3 Science-based greenhouse gas emissions reductions targets, which received SBTi validation that such targets were in line with containing global warming to a temperature increase of no greater than 1.5°C above pre-industrialisation levels, demonstrating the Group's commitment to playing its part in society's goal of controlling climate change
	• further action against climate change enhancing the Group's reputation and credibility as an environmentally conscious transport company
Approved the decision not to pay a 2024 interim and full year dividend	• in determining whether or not to recommend payment of an interim and full year dividend, the Board considered the financial implications and long-term impacts of that recommendation, acting fairly between shareholders who had expressed different views, alternative applications of those monies (including reinvestment and deleverage) and the impact on the Group's reputation

Board decision	Directors' consideration of factors in accordance with s. 172(1)
Reviewed and approved the Group's five-year strategic plan and opportunities to accelerate the Evolve strategy	• the achievement of the Group's strategy through execution of our customer propositions and delivery of our outcomes will have positive outcomes for all; our colleagues will benefit from financial, career and development opportunities resulting from our growth; our business relationships will benefit through strengthening existing relationships and developing new relationships with our customers, suppliers, debt providers and our partnerships with local governments; the community and environment will benefit as we transition to zero emissions vehicles and seek to keep local communities well connected with safe and reliable transportation services; and our shareholders will benefit from our growth and increased profitability through returns on their investment • the achievement of our strategy will improve our reputation in the long-term, because we will be: the safest, most reliable operator with the most satisfied customers; an employer of choice; and an environmental leader, with strong financial returns, which will advance our purpose
Approved bids for significant opportunities to provide transportation services	• the bids would, if successful, generate revenue and profit and contribute to the Group's growth strategy and align with its purpose, including through access to new markets and strengthening our presence in existing markets which could create further opportunities in the long-term. Our shareholders will all benefit from our growth and increased profitability through returns on their investment as will our existing colleagues from the increased financial stability within the Group
	• additional colleagues would join the Group if the bids are successful. They would benefit from our training programmes and application of our Group Safety Policies, which would teach them new skills and procedures aimed at reducing risk • the local communities served could benefit from either a new or continued service operated to the high standards set by the Group, particularly in terms of safety and in line with the Group's environmental ambitions to transition its global fleet to zero emissions vehicles
	• the Group chose to partner with others in some of its bid submissions, which enabled the Group to form new, or strengthen existing, stakeholder relationships
Approved the Group's modern slavery statement	• the statement confirmed the Group's zero-tolerance approach to slavery and human trafficking and sets out the steps taken by the Group during the year to ensure there was no modern slavery or human trafficking in any part of its business or supply chain, and in approving such statement, consideration was given to the Group's reputation for conducting its business in an ethical manner and with integrity and the importance of working with trusted suppliers who operate to the same high standards with respect to conduct of their business and management of their social and ethical issues

Key

Long-term impact
Employees
Fostering business relationships
Community and environment
Reputation
Acting fairly between members
Financial implications
Advancing the purpose

Purpose, values and culture

Purpose, vision and strategy

The Group has a clear purpose and vision to be achieved through the execution of its Evolve strategy. This strategy is built upon five customer propositions, each underpinned by the focused application of technology, to deliver six outcomes for stakeholders. For more details please see pages 16 and 17.

Aligning our purpose, vision, values and strategy

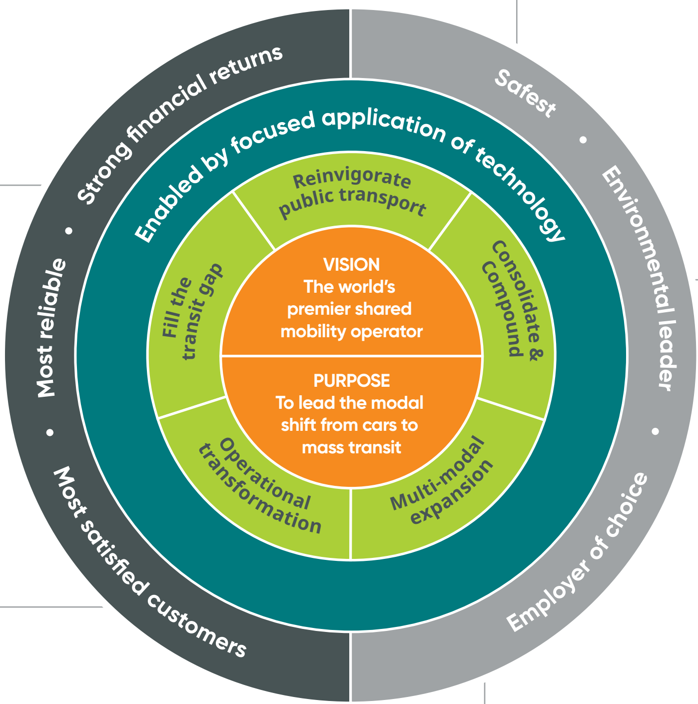
The Group's values – Safety, Excellence, Customers, People and Community & Environment – support the execution of the Evolve strategy as they are directly aligned with the six outcomes for stakeholders, as illustrated by the examples in the diagram below:

Excellence

Our focus on excellence, delivered through efficiency initiatives, leads to operational transformation

Safety

Our prioritisation of safety, and reducing accidents, reinvigorates public transport by enhancing passenger confidence



Customers

Putting customers at the heart of what we do wins us their loyalty, and builds our credentials, helping us win more multi-modal expansion opportunities

Community & Environment

Our desire to ensure communities are better served by public transport, and our commitments to reducing our impact on the environment, encourage us to fill the transit gap

People

Investing in our people enables us to improve our customer service offering, reinvigorating public transport by growing patronage

Culture

The below table sets out the framework of policies and practices that support our culture and explains how the Board monitors culture:

Culture framework	Board methods of monitoring culture
Our safety priority The Group's prioritisation of safety, led from the top, ensures it remains central to all business decisions and operational practices. Its global safety policies and systems set high and consistent standards across its operations worldwide. The inclusion of stretching safety targets in short-term incentive arrangements maintains this continued focus.	• The Board monitors the development, implementation and compliance with the global safety policies and reviews major safety incidents, their root causes and any lessons to be learned from them. • The Board undertakes safety deep-dives from time to time to assess safety compliance and safety culture across different parts of the business. • The Group CEO, supported by the Group Operations, Maintenance & Safety Director, constantly monitors the Group's safety performance and reports on such performance to the Board at every Board meeting.
Our environmental strategy and ambitions The Group's environmental strategy is centred on the transition of the Group's fleet to ZEVs, and its environmental ambition to achieve zero emission fleets within each of its current business divisions. Its environmental KPIs enable progress against ambitions to be tracked and the inclusion of carbon reduction targets in long-term incentive arrangements maintains focus.	• The Sustainability Committee monitors progress against the Group's environmental strategy and ambitions. • The Group CEO and Group CFO, assisted by the Group Sustainability Director, the Global Sustainability Steering Group and the Zero Emission Vehicle Steering Group, regularly assess the development and delivery of zero emission fleet and other environmental initiatives, track progress against the environmental KPIs and report on such performance to the Sustainability Committee.
Our people strategy and employee policies and practices The Group's people strategy is based around three key priorities: Embrace, Energise, Elevate which are underpinned by our Essentials, as further explained on pages 65 and 66. Fair and transparent employee policies and practices ensure that our colleagues' rights are respected in accordance with applicable laws, their contracts and recognised collective bargaining agreements. A number of programmes and initiatives also support their health and wellbeing, develop their talent, recognise their excellence, encourage innovation and promote diversity and inclusion among them. During 2024, there has been a particular focus on well-being, with the launch of a new well-being strategy – see page 67 for more information.	• The Sustainability Committee monitors progress against the people strategy and ambitions, including tracking progress against the people KPIs. • The Sustainability Committee and the Board receive people updates on all key people data and trends, including levels of establishment, levels of engagement, outcome of staff surveys and the status of trade union relations. • The Nominations Committee reviews the effectiveness of senior management succession plans, talent identification and development plan, and diversity and inclusion initiatives. • Directors engage directly with colleagues via engagement events as described on pages 96 and 97.
Our corporate policies The Group's corporate policies, including those on anti-bribery and corruption, anti-slavery and human trafficking, data protection and whistleblowing, set clear expectations, and mandates, for every member of the workforce to perform business with integrity and in accordance with applicable laws. The Group Compliance & Risk Officer champions compliance, and a compliance framework has been developed to bring greater alignment to corporate policies.	• The Group's compliance framework, and the corporate policies which form part of it, are reviewed and approved by Board or the Audit Committee. • The Group Compliance & Risk Officer sponsors the Group's compliance programme, manages its development and enforcement and reports to the Audit Committee on its effectiveness. • Any serious allegations of breach of corporate policy or other wrongdoing, whether identified through internal audits, the whistleblowing hotline (via which colleagues can raise concerns in confidence and anonymously if they wish) or otherwise, are duly investigated, acted upon and brought to the Board's attention.
Our supplier protocols and procedures Standard supplier protocols and procedures, standard contractual terms and audits of suppliers ensure that key suppliers operate their businesses and respect their workers' rights in the same way that we do. Building long-term, mutually beneficial, relationships with core suppliers also enables the Group and its suppliers to understand and assist in the achievement of what is important to the other.	• The Board receives stakeholder reports and presentations from core suppliers from time to time. • The Group Procurement team monitors compliance by key suppliers with the Group's policies, protocols and procedures, and the Board receives reports from the Group Procurement Director from time to time.
Our values The Group has an embedded set of values that all our colleagues are encouraged to live by. The identification in the Evolve strategy of the six stakeholder outcomes, by which the Group measures whether it is delivering on its strategy and achieving its purpose, further reinforces the importance of the values. The alignment between the values and the outcomes is explained on page 92.	• The Board's engagement with our colleagues, through the means described on pages 96 and 97, enables the Board to assess first hand whether our colleagues are living by our values. • The Board also hears customer, supplier and other stakeholder views, through the means described on page 97, facilitating a further assessment of whether our stakeholders consider we are living by our values.

Through its monitoring activities, the Board is satisfied that the Group's culture is strongly aligned with its values, purpose and strategy.

Stakeholder relations

Board engagement with shareholders, analysts, potential investors and debt providers

The Board is committed to maintaining a two-way dialogue with its key financial stakeholders. The Chair, supported by the Senior Independent Director and the Executive Directors, has overall responsibility for ensuring this communication is effective.

The Group Chief Executive Officer and the Group Chief Financial Officer, with the support of the investor relations team, undertook their usual investor relations programme during the year. The programme, which is aligned to the Group's financial reporting calendar, includes holding meetings with and giving presentations to existing and prospective equity and debt investors, participating in analyst-arranged investor conferences and equity sales desk meetings. These events are shown by ● in the investor relations programme to the right. In addition, the Chair had a number of meetings with individual investors as requested by them, as shown by ●.

The Chair of the Remuneration Committee also undertook additional engagement in connection with the new Directors' Remuneration Policy in advance of the 2024 AGM, to ensure the Remuneration Committee and the Board understood the views of the shareholders before making decisions on the proposals set out in the new Directors' Remuneration Policy, as shown by ●.

The Board is kept fully informed of the views of shareholders via regular reports from the Executive Directors on their investor relations activities and via feedback from the Chair and other Non-Executive Directors on their engagement, as well as Board updates given by the Group Investor Relations Director. The Company's brokers and investor relations advisers also provide regular confidential feedback on investor views, perceptions and opinions which are shared with the Board.

The AGM also gives shareholders (especially retail shareholders) the opportunity to engage with the Board regarding the matters before the meeting and we were pleased to welcome around 15 retail shareholders at the 2024 AGM. The 2025 AGM will again be an in-person meeting; further details are in the Notice of 2025 AGM.

During 2024, eight analysts published equity research notes covering the Group through the year. Details of the analysts that currently provide coverage in relation to the Group appear at https://www.mobicogroup.com/investors/analysts.

2024 Investor Relations Programme:

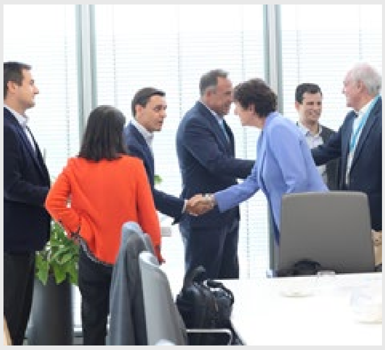
January	●	One-on-one discussions with major shareholders who wished to engage in discussion on the new Directors' Remuneration Policy in advance of the 2024 AGM
February	●	Chair meetings with major shareholders
	●	Further one-on-one discussions with major shareholders who wished to engage in discussion on the new Directors' Remuneration Policy in advance of the 2024 AGM
March	●	Chair meetings with major shareholders
April		2023 full year results announcement and investor roadshow
		Q1 trading update
	●	Meetings with investment bank sales desks
	●	Chair meetings with major shareholders
May	●	HSBC investors' conference
June		2024 AGM
August		2024 half year results announced
September		2024 half year investor roadshow
	●	Chair meetings with major shareholders
October	●	Chair meetings with major shareholders
November		Q3 trading update
	●	Chair meetings with major shareholders

Board engagement with the workforce

The Board undertook two site visits during the year in review: the first was in January 2024 to the Perry Barr depot in Birmingham as part of an overview of the UK division. This was followed by Madrid in September 2024 to visit the ALSA division. The programme of site visits was supplemented by Directors' participating in workforce engagement events, undertaken through online listening forums and in-person engagement during site visits. Further details of all of these events can be found on page 97.

Participating in these events with the workforce enables the Directors to understand how the Group's operations function in practice and allows them to hear directly from colleagues about matters that can be relevant to the Board's decision-making or can give better context to that decision-making. It also helps the Board to monitor the Group's culture.

MADRID SITE TOUR

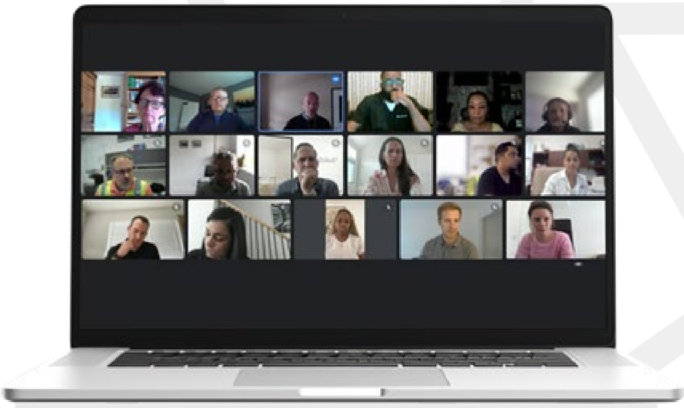


The Board went to Madrid in September 2024 to visit the ALSA division. During the site tour, the Board had the opportunity to hear from each of the key divisions and functions within ALSA, including: (i) Diversification: where the Board heard about ALSA's strategy to become a multi-modal operator through a diversified and balanced portfolio, (ii) People: where the Board was given a demonstration of the new HCM and payroll system, (iii) Spain: where the Board was updated on bids and renewals successes and given a demonstration of how the commercial and marketing teams had improved customer interfaces to drive patronage, (iv) International: where the Board was informed of the upcoming opportunities to further diversify and expand into new markets, (v) Morocco: where the future strategy was discussed noting that this was ALSA's 25th year in Morocco, (vi) Digital: where the Board heard about the plans for using new technologies, the Cloud and Artificial Intelligence to provide better customer service, (vii) Legal: who outlined how the team support and enable the division through early and pragmatic dialogue, and (viii) Finance: who discussed how they manage a year end in five different jurisdictions. One of the key strengths of ALSA is how the divisions and functions work effectively together across many countries, different sets of regulations and customer requirements.

BIRMINGHAM SITE TOUR

The Board visited the Perry Barr Bus depot in Birmingham, UK, in January 2024. During the site tour, the Board:

- travelled to the Perry Barr depot on a National Express ZEV. En route, they passed West Midland Travel's previous Perry Barr depot, which was decommissioned in December 2022, and were able to see the contrast with its more modern replacement.
- attended a 'daily stand-up' staff meeting, where the team reviewed issues arising over the previous two days, and forthcoming operations, route changes and safety matters for the next two days.
- visited the depot's accident repair and planned maintenance workshops. Here they learned about the different requirements of ZEVs when it came to repairs and maintenance, compared to diesel vehicles, and heard about efforts underway to improve forecasting and planning of maintenance in order to improve safety and efficiency.
- were shown the temporary EV chargers which were located at the depot pending the installation of a permanent electric charging facility and saw the site of a future electricity substation that will be used to charge the depots' EVs.
- tried out the training simulator and learned about how use of the simulator enhanced the training programme.



Online listening forums

Online listening forums take the form of roundtable discussions between two Non-Executive Directors and 10-20 members of the workforce drawn from a variety of roles. These forums have been positively received by those attending them who have commented, in particular, that the format gave Board members a valuable opportunity to learn from and interact with colleagues.

Three online listening forums were held in 2024 with colleagues from the UK, WeDriveU and ALSA divisions. The UK event was attended by Nigel Pocklington and Helen Weir, the WeDriveU event by Carolyn Flowers and Helen Weir, and the ALSA event by Jorge Cosmen and Ana de Pro Gonzalo.

The topics at each of the sessions differed: communications was the key theme in the ALSA session, with colleagues appreciative of the improvements made to internal communications which they felt helped them have a more global view of the organisation; teething issues were raised by WeDriveU having recently been separated into its own division at a time of fast growth but which would naturally improve as the organisation matured; and the UK raised staff morale following recent, but necessary, changes in the business. In the second half of the year new initiatives were launched with the aim of improving employee wellbeing and morale. This group also had some interesting views on the use of technology within the division which was fed back to the Board.

In-person engagement during site visits

During the Board site visit to Birmingham in January 2024, the Non-Executive Directors took the opportunity to have tea and pastries with a number of colleagues from different levels within the UK division, which allowed the Board to communicate informally with those colleagues to understand their views on the performance of the business and their proposed solutions to some of the challenges. The Board had a further opportunity to speak with some of our UK employees when they presented Mobico Hero awards during this visit. The awards are intended to recognise and celebrate those colleagues who go above and beyond to deliver against one or more of the Evolve strategy outcomes, and the Board enjoyed hearing about the achievements of those colleagues from the Perry Barr depot.

The Board also had the opportunity to engage with ALSA's management during both a lunch and dinner held during their trip to Madrid in September 2024. These meals provided an excellent opportunity for members of the Board to communicate directly with those colleagues and learn more about their perspectives of the business.

Workforce engagement methodology

The Group's workforce engagement events are a variant of the UK Corporate Governance Code recommended 'designated non-executive director' method of engaging with the workforce. Because they give more of the Directors and more colleagues the opportunity to speak directly with each other; they take due account of the size, geographic expanse, and cultural diversity of the Group's workforce; and the relative informality of their nature encourages open and honest discussion, they are considered by the Board to be more effective than that of the other Code-recommended methods.

Understanding other stakeholders' views

Most engagement the Group has with its other stakeholders, such as customers and passengers, suppliers, governments and regulators, takes place at the divisional level where a variety of well-established methods are used to ensure that divisional management understand their business' stakeholders' views. These views are regularly passed to the Board through divisional business updates. For example, the UK & Germany management team has kept the Board appraised of ongoing discussions with TfWM regarding future partnership arrangements and on the viewpoints of the German PTAs on industry-wide issues such as driver shortages and energy prices.

Further information about who the Company's key stakeholders are, and how the Company engages with them, is set out on pages 54 and 55 of the Strategic Report. Further examples of how different stakeholders' interests have been taken into account by the Board in its decision-making are also set out on pages 90 and 91 of this Corporate Governance Report.

Audit Committee report

ENRIQUE DUPUY DE LOME CHÁVARRI
Audit Committee Chair

Activity highlights

- Reviewed and satisfied itself as to the integrity and fairness of the Group's half and full year financial statements and the appropriateness of their being prepared on a going concern basis
- Assessed and challenged the appropriateness of the Company's viability statement
- Assessed and challenged management's approach to critical accounting judgements and key sources of estimation uncertainty including the impairment of goodwill in respect of the School Bus division and the recognition criteria applied to deferred tax assets
- Assessed and challenged (i) the significant increase in the onerous contract provisions related to the German Rail division's RRX contracts as at 31 December 2024 and the underlying issues relating to driver recruitment and cost inflation; and (ii) the key accounting estimates as at 31 December 2023 in the context of the information available at that time
- Assessed and challenged the assumptions and key accounting estimates relating to the IFRS 15 contract asset in relation to the RME German Rail contract
- Reviewed the findings and monitored the effectiveness of the internal audit function, and reviewed the programme of internal audits for the year ahead
- Reviewed the effectiveness of risk management and internal control systems
- Reviewed the opinions and monitored the independence and effectiveness of the external auditor
- Supported the Board in its management of risk by its continued programme of 'deep dive' reviews into divisional risk and its ongoing review of cyber risk
- Reviewed the framework of the Group's compliance programme and the corporate policies comprised within it

For information on the primary role and key responsibilities of the Audit Committee, please visit the Committees page of the Company's website: https://www.mobicogroup.com/about-us/corporate-governance/committees/

Membership, meetings and attendance

Committee member	Appointed	Meetings attended/held
Enrique Dupuy de Lome Chávarri (Chair)[1,2]	01/11/2023	5/5
Ana de Pro Gonzalo[1]	01/10/2019	5/5
Carolyn Flowers[1]	04/12/2021	5/5
Mike McKeon (Chair)[1, 2]	03/07/2015	3/3

1 Independent Non-Executive Director

2 Mike McKeon stood down as Chair of the Audit Committee on 11 June 2024, having attended all meetings of the Audit Committee held during the year prior to this date. Enrique Dupuy de Lome Chávarri succeeded him as Chair of the Audit Committee from the same date.

Other attendees: Company Secretary and, by invitation, Company Chair, Group Chief Executive Officer, Group Chief Financial Officer, Group Deputy CFO, Group Director of Internal Audit, Group Legal Counsel, Group Head of Compliance & Risk and representatives of the external auditor, Deloitte LLP.

There were five Audit Committee meetings scheduled for 2024, which includes the Committee meeting in January 2024 that had previously been scheduled for December 2023 to fit better with the audit schedule (as previously reported in the 2023 Annual Report). In addition to the five scheduled meetings recorded above, the Committee held additional meetings to review the divisions' principal and emerging risks and their management of such risks as further explained on page 99.

Financial reporting

The Committee is responsible for considering and satisfying itself, after consultation with the Company's external auditor, that the Company and its Group have adopted suitable accounting policies and appropriately applied the same, that management has made appropriate accounting judgements and estimates, that the adoption by the Company of the going concern basis of accounting is appropriate and that its viability statement is reasonable.

Key accounting matters

Details of the key accounting matters addressed by management when preparing the Consolidated Financial Statements, together with information about how the Committee assessed, challenged where appropriate and satisfied itself that the judgements and estimates made by management in relation to them were reasonable.

Going concern assessment

The Committee reviewed and robustly challenged management's assessment that the Group's financial statements for the six-month period ended 30 June 2024 and for the financial year ended 31 December 2024 should be prepared on a going concern basis. Management developed both base case and reasonable worst case financial scenarios over an 18-month look forward period using assumptions about trading drawn from the Group's strategic plan, budget and latest financial projections. They then applied stress tests to both those scenarios to determine whether the Company would be able to meet its liabilities as they fell due, having regard to the Group's liquidity and covenant tests. The Committee satisfied itself that, in both the base case and the reasonable worst case scenarios, the Group would have sufficient liquidity and be able to comply with its debt covenants and there were no instances of a covenant breach identified even after the application of the further stress tests. This included a detailed review of the mitigating actions management had been identified as being available if they were required. Accordingly, the Committee recommended to the Board that the Company's, and its Group's, financial statements at the half and full year be prepared on a going concern basis.

Viability assessment

The Committee also carefully considered management's view of the Company's viability for the three-year period ending 31 December 2027, including the rationale for assessing viability over a three-year period. The testing of viability involved the analysis of base case and reasonable worst case scenarios projected forwards over this three-year period by reference to trading assumptions drawn from the Group's strategic plan, and factored in the impact of risks including known and likely future climate risks that could materialise over this three-year period, offset by reasonable mitigations. The Committee satisfied itself that, in both the base case and reasonable worst case scenarios, the Group should be able to continue in operation and meet its liabilities as they fall due. Accordingly, the Committee recommended to the Board that the Company make its viability statement as set out on pages 52 and 53 of the Strategic Report.

Risk management

The Board has overall responsibility for risk management. The Committee supports the Board by conducting 'deep dive' reviews into the Group's divisions' risk management activities (as explained in the section below on divisional risk reviews) as well as certain specific Group-wide risks, and by reviewing the Group's compliance programme.

Group risk appetite and principal and emerging risk review

The Board's risk appetite and assessment of the Group's principal and emerging risks, as well as a description of how the Group manages risk, are set out on pages 42 to 51 of the Strategic Report. The Group's climate-related risks and opportunities are considered in more detail in the TCFD disclosures on pages 68 to 80.

Divisional risk reviews

During 2024, the Committee reviewed the Group's divisions' principal and emerging risks and their management of such risks. These were undertaken during meetings of the Committee at which risk and senior managers from the division present their principal and emerging risk registers and explained how they were managing, and where possible, mitigating risk. Mirroring the Company's approved approach to Group-wide risk, the divisions record their risks in the form of heat maps which categorise both their likelihood and potential severity according to Group developed guidance. Each risk is then assigned a business owner who develops and oversees the delivery of mitigating actions, that are tracked at regular divisional management meetings. The Committee observed that the Group's divisions had included both current and emerging strategic, compliance, financial, operational and reputational risks in their registers and had developed action plans to manage such risks over the different time profiles over which such risks could materialise. It was also pleasing to note that certain matters identified as risks were also viewed as opportunities. Using insights gained from the Board's work on overseeing Group-wide risks and the Committee's work on reviewing divisional risks, the Committee was able to challenge each division on whether it had identified and appropriately classified its risks and whether it was adopting the most effective mitigation plans, and share best practices the Committee had observed within each division. Through its reviews, the Committee has sought to test and gain assurance that each of the divisions has a robust risk identification and management process and that risk management becomes embedded in the day-to-day business activities and culture of the divisions. Such reviews have also served to deepen Committee members' understanding of the risks the Group's different businesses face and, through the Committee sharing this understanding with the wider Board, they have informed the Board's ability to appropriately set the Group's risk appetite, assess the Group's principal and emerging risks and weigh up risks with opportunities when taking key business decisions.

Cyber risk review

Cyber risk remained a standing item on the Committee's agenda in 2024, with the Group's ongoing cyber security programme, and the progress being made against the specific deliverables comprised in such programme, assessed at each of the regularly scheduled Committee meetings.

The Company's digital technology and cyber security programme is led by the Group CIO and the Group CISO whose priorities are to enhance existing policies, processes and controls and continue to develop a programme aligned to best practices, standards and any new coming regulatory requirements.

Compliance risk

The Group has a range of existing policies and procedures for ensuring compliance with applicable laws and regulations, including Group-wide policies on business ethics, anti-bribery and corruption, modern slavery and whistleblowing, and divisional policies and procedures which either implement or supplement the Group policies having regard to local laws, regulations and best practice. The Group's whistleblowing procedures include access to an independently managed whistleblowing hotline via which the Group's stakeholders, including employees, can raise concerns, anonymously if they so wish. Reported concerns are duly investigated and acted upon by management or the functional support teams as appropriate, with a summary of cases and their outcomes reported to the Board. In case of any material issues identified or cases of a real whistleblowing nature, they will be reported, analysed and discussed thoroughly in the Committee's meeting.

The Group Head of Compliance and Risk has established a Policy Compliance Management Framework that: establishes a common approach globally for all policy owners to manage their policies; sets out the minimum requirements across all divisions; provides guidance on policy creation and review; and provides ongoing awareness and training against these. Additionally, the Group Head of Compliance and Risk continues to manage the Risk Management Framework globally and is continuously improving the second line of assurance by introducing deep dives, which are performed based on a Risk and Control Matrix (RCM) developed for each Group Policy. The deep dive programme kicked off in 2023 and has continued during 2024. The Group Head of Compliance and Risk, working with the Group Director of Internal Audit, Group Chief Financial Officer and Group General Counsel and their teams, has also been keeping the reforms on audit and corporate governance under review – for more information, see the Internal controls section of this report. At the request of the Committee, the Group Head of Compliance and Risk attends all Committee meetings to both report on progress in their area and to have an understanding of other aspects of the Committee's work.

Internal control and system of internal control

The Committee is responsible for monitoring the adequacy and effectiveness of the Company's system of internal control and subsequently reporting on this to the Board.

The Company's systems of internal control is based on a three lines of defence model, with a number of component controls operating at each of those lines, as illustrated in Appendix 2 to this report.

The Committee assesses the performance of the three lines of defence model, as well as the operation of internal controls through the year and up to the date of approval of the Annual Report and Accounts, through its review and challenge of the work performed by the internal audit function. In addition, the Committee requests follow-up updates from management on controls in specific areas, for example in response to the findings from internal audits or risk reviews.

A significant weakness was identified in the current year with respect to the future cash flow forecasts prepared by management, which is a critical input to both the goodwill impairment assessment and the determination as to the recognition of deferred tax assets. During 2024, a significant adverse variance to forecast was observed in both the UK and North America School Bus businesses. Notwithstanding that both businesses are mid-turnaround, which can make future forecasting more challenging, management ought to have revaluated its forecasts more critically in this context. Whilst the strategic plan forecasts prepared in 2024 include profit improvement actions that aim to improve the future financial performance of both businesses, these have not been included in the forecasts used for the goodwill impairment assessment as they cannot currently be objectively evidenced at this stage in the turnaround, which has resulted in highly material income statement charges relating to goodwill impairment and derecognition of deferred tax assets. A review of the Group's controls over this area will be performed in 2025, with enhanced controls implemented and operating before the assessments pertaining to the year ended 31 December 2025 are determined.

During the prior year end (2023) process, a number of significant weaknesses were identified in respect of our German business and how it has historically managed, communicated and accounted for its long-term rail contracts. These weaknesses were predominantly addressed during the course of 2024, with a detailed and comprehensive model rebuild being undertaken during the year and further work performed by management to improve visibility and control of performance across the contracts. During the course of this work, further errors were identified in the prior year onerous contract provision assessment, which were collectively material and have been corrected as a prior year restatement. Please refer to note 2 to the financial statements for further detail.

However, during the current year, management also became aware that penalties associated with cleaning related performance obligations, which under the contracts the Group is partially responsible for administering and carrying out, were not being identified, and therefore were being recorded incorrectly. An assessment of the potential liability has been made and recorded within the onerous contract provision calculation at 31 December 2024. In addition, management has performed detailed work around completeness, to gain comfort that all items pertinent to the inputs to the long-term contract accounting models have been appropriately captured and recorded. Management has also assessed, and the Committee concurs, that this is both contained to this matter and relates to the German business only. As such, while progress was made during 2024, management is implementing additional controls to further strengthen the process around the management of the German rail contracts during the course of 2025.

The Group Head of Compliance and Risk, Group Director of Internal Audit, Group Chief Financial Officer and Group General Counsel and their teams and the Committee have been monitoring closely the developments relating to changes to the Corporate Governance Code, which was published by the Financial Reporting Council on 22 January 2024. Management is currently developing plans to further strengthen our internal controls and meet the revised requirements relating to internal controls, which will be applicable for the year ended 31 December 2026. Whilst currently there is no formalised control framework in place, management intend to develop and implement such a framework, which will be used in order to assess the quality and operation of the financial controls across the Group, as part of the wider plan to strengthen our internal controls.

Internal audit

The internal audit function acts as the third line of defence and provides the Committee with assurance on the effectiveness of the Company's first and second line internal controls, including financial controls and controls designed to prevent incidents of fraud. It does this through the independent observation and objective assessment of such controls via a programme of audits undertaken throughout the year against a plan reviewed and approved by the Committee.

The 2024 audit plan included: audits of core financial process controls across the divisions, reviews of Group and principal divisional risk controls, review of safety arrangements across the divisions and a review of the internal audit function to assess ways to allow for an effective and efficient audit delivery in the second half of 2024, following the appointment of a new Group Director of Internal Audit in early 2024.

Internal audit effectiveness

The Committee is responsible for monitoring the effectiveness of the internal audit function. In respect of its work in 2024, the Committee monitored this effectiveness by reviewing the scores that colleagues, whose work or controls were subject to internal audit, awarded to the function on a 'value scorecard' and by making its own assessment of the quality of that work. The Committee is satisfied that the Company's internal audit function is effective.

Significant weaknesses or control failures

Following its review of and conclusions from all elements of assurance, the Committee is satisfied that there are no significant weaknesses or control failures to report in respect of the Company's financial year ended 31 December 2024, other than in respect of (i) forecasted future cash flows used within the assessment of goodwill impairment and recognition of deferred tax assets, and (ii) certain issues relating to the German Rail business; both as indicated above.

External audit

Deloitte LLP is the Company's auditor. Deloitte was first appointed as auditor in 2011 and, following its selection in the Company's audit tender conducted in 2020 and shareholders' approval given at the Company's 2024 AGM, was re-appointed in 2024. Deloitte's continued appointment will be subject to shareholders' annual approval at prospective Company AGMs. Jane Whitlock is the Company's audit partner, completing her third year in that role, following the mandatory rotation of the previous Deloitte audit partner in 2021. The Company has therefore complied with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

Deloitte LLP has indicated its intention to resign as auditor of the Company after the publication of the consolidated financial statements of the Group for the six-month period to 30 June 2025. The Company has commenced an audit services tender process to identify a new auditor of the Company.

During the year the Committee also received updates from Deloitte regarding the FRC's Audit Quality Review (AQR), who had reviewed Deloitte's audit of the Group's 2023 Financial Statements as part of its annual inspection of audit firms. The Committee received and reviewed the final report from the AQR team which identified key findings, and also noted several areas of good practice.

External audit plan and fee

The 2024 external audit plan, which was prepared by Deloitte and reviewed and approved by the Committee, comprised full scope audit procedures for the Group's UK, ALSA, Germany and North America divisions. It included: the review by Deloitte of the Consolidated Financial Statements; its challenge of management's significant judgements and estimates; its review of certain of the Group's key financial and fraud controls and of the risk of management override of controls; and its consideration of certain aspects of the Group's non-financial reporting, including the Group's TCFD disclosures. Deloitte's base fee for undertaking the 2024 audit, of £3.4m (2023: £2.6m), was also approved by the Committee. The increase in fee in 2024 related to the increased level of work required to be undertaken by Deloitte in the areas of goodwill impairment, deferred tax assets and German Rail long-term contract accounting.

External audit effectiveness

The Committee is responsible for reviewing the effectiveness of the Company's external audit. The Committee did so by considering the outcome of colleagues' evaluation of the quality and efficiency of Deloitte's work, using an audit quality indicator framework developed in the year in line with the framework set out by the Financial Reporting Council, and is satisfied that Deloitte performed its work to a high standard.

External auditor provision of non-audit services and independence

The Committee is also responsible for reviewing the auditor's independence and objectivity. The Company operates a non-audit services policy which sets out the permitted and prohibited non-audit services its auditor may be engaged to provide, for the purpose of safeguarding the auditor's objectivity. The Committee reviewed the policy during the year and determined it remained fit for purpose. It also reviewed the Company's compliance with the policy, which was confirmed as Deloitte performed only permitted non-audit services during 2024 for which its fees totalled £0.1m, representing 3% of the total audit fee. Services outside the statutory audit during 2024 related to the audit of carve-out financial statements in relation to the sale of the North America School Bus business; the fee for which amounted to £1.7m. Having regard to the operation of the non-audit services policy during 2024, together with Deloitte's reports to the Committee confirming its independence at the full year, the Committee assured itself of Deloitte's ongoing independence.

Board assessment of effectiveness

Taking account of the Committee's work on assessing the effectiveness of the Company's system of internal control, and both the Committee's and its own work on assessing the Group's management of risk, the Board is satisfied that these are effective and have been over the year, other than where covered elsewhere in this report.

Fair, balanced and understandable

Having carefully reviewed the Company's 2024 Annual Report, and considered management's approach to its preparation, including in compliance with applicable laws and having regard to the UK Corporate Governance Code, the FRC's best practice guidance, and having heard the views of its auditor, the Committee recommended, and in turn the Board confirmed, that this report, taken as a whole, is fair, balanced and understandable, and provides the necessary information for shareholders to assess the Company's position and performance, business model and strategy.

Enrique Dupuy de Lome Chávarri
Audit Committee Chair

28 April 2025

Appendix 1 – Key accounting matters

The Committee considered the following key accounting matters as part of its review of the Consolidated Financial Statements:

Impairment of goodwill (see note 14 to the Consolidated Financial Statements)	**Key accounting matter** In determining whether assets are impaired, management is required to make a number of estimations and assumptions, including on future cash flow projections, discount rates and perpetual growth rates. **Committee action and conclusion** The Committee carefully considered management's work on the impairment analysis and testing of the value of the Group's goodwill balances, applying particular focus to the value of the impairment of the School Bus division goodwill. These impairment assessments were based on modelled forecast cash flows, discounted using a country-specific weighted average cost of capital (WACC) and a terminal value based on a perpetual growth rate (PGR). The Committee noted that due to the separation of the School Bus and WeDriveU businesses, the two businesses had been treated as individual cash-generating units (CGUs) in the current year. After considering the assumptions made by management in forecasting cash flows and its rationale for the WACC and PGR, and taking into account the auditor's views on these matters, the Committee concurred with management's view that a full impairment of £547.7m of the School Bus goodwill was required whereas no impairment was required on goodwill recognised in other cash generating units. The Committee noted that the impairment in School Bus arose as a result of reduced future cash flow generation in the forecasts used for the impairment assessment; as whilst the strategic plan forecasts prepared in 2024 include profit improvement actions that aim to improve the future financial performance of School Bus, these have not been included in the forecasts used for the goodwill impairment assessment as they cannot currently be objectively evidenced at this stage in the turnaround. The separation of the two North America businesses into two CGUs in the year was also a contributing factor to the resulting impairment charge as School Bus generates lower cash flows relative to its asset base, compared to WeDriveU. A full explanation for the rationale behind impairment of School Bus goodwill is set out in note 14.
Insurance and other claims provisions (see note 26 to the Consolidated Financial Statements)	**Key accounting matter** The adequacy of the provisions associated with claims arising predominantly from traffic accidents and employee incidents in North America is subject to estimation based on an assessment of the expected settlement value of known claims together with an estimate of settlement values that could be made in respect of incidents that have occurred but not yet given rise to a claim at the balance sheet date. Given the level of uncertainty, complexity and judgement involved in making these estimations, there is a risk that the eventual outcome could be materially different from that estimated and provided for. **Committee action and conclusion** The Committee considered the information provided by management on the status of the North America and other material open claims made against members of the Group together with advice from external actuaries, legal counsel and insurance brokers, on the likely outcome of such claims, as well as management's explanation of the methodology used to determine the value of provisions for such claims. After challenging whether management had considered all material open claims and incidents that could give rise to claims and the external advice given in connection with them, the Committee concluded that management's estimation of the value of such claims was within an acceptable range of the potential outcomes and accordingly was fairly stated.

Adjusting items (see note 5 to the Consolidated Financial Statements)	**Key accounting matter** The Group presents profits and earnings per share measures before adjusting items to provide users of the accounts with additional useful information to assess the year-on-year trading performance of the Group. The classification of adjusting items requires management judgement having regard to the nature and intention of the transactions to which they relate. **Committee action and conclusion** The Committee considered the nature and extent of the adjusting items identified by management and its rationale for why they did not form part of the Group's Adjusted Operating Profit (a key APM). The Committee noted that the impairment of goodwill with respect to the School Bus division (as described above) had been treated as an adjusting item; this was consistent with the treatment of an impairment of goodwill relating to ALSA in FY22. The Committee also noted that onerous contract provision movements in respect of contracts that became onerous due to Covid-19 or North America driver shortages, and the RRX onerous contract provision were adjusting items, but satisfied itself that these only represented the re-assessment of estimations in respect of items recorded as adjusting items in the prior years. An explanation for the increase in the onerous contract provision in respect of the RRX rail contracts is shown below. After discussion with management, the Committee concurred with the approach management had taken.
Onerous contract provisions (see note 26 to the Consolidated Financial Statements)	**Key accounting matter** The Committee reviewed the approach taken by management in respect of contracts classified as onerous contracts, and particularly the provision in respect of the RRX contracts in German rail. **Committee action and conclusion** The Committee reviewed the approach taken by management to identify and measure the impact of any onerous contracts, including the continuing relevance of contracts previously identified as onerous. In respect of the existing provision relating to the RRX rail contracts, the Committee reviewed the approach taken by management, which led to a closing provision of £176.1m at 31 December 2024 (31 December 2023 restated: £140.1m). The Committee noted the increase in provision was primarily driven by both the continuation of industry-wide issues, primarily related to driver shortages, and the worsening of these factors compared to our prior expectations. The issues relating to driver shortages have resulted in higher operational penalties as well as the need for increased investment in driver recruitment and training (and overhead to support the business). Cancellations (and therefore higher penalties) have also been adversely affected by network disruption arising from high levels of track maintenance and repair work. The Committee noted that errors had been identified in respect of the onerous contract provision calculation as at 31 December 2023 (as detailed in note 2 to the Financial Statements), which were collectively material and as such were corrected as a prior year adjustment. This had the effect that the RRX 1 contract was now considered onerous as of prior year end. The Committee challenged management as to the adequacy of the provision and the estimates made to cover the losses associated with running the contract over the remainder of the contract term. The Committee also challenged the appropriateness of the related disclosures and sensitivities. After discussion with management and the external auditor, the Committee concurred with the approach taken.
Valuation of contract assets (see note 20 to the Consolidated Financial Statements)	**Key accounting matter** The Committee reviewed the approach taken by management in determining the value of the IFRS15 Contract Asset in relation to the RME German rail concession. **Committee action and conclusion** The Committee reviewed the approach taken by management which led to a reassessment in the value of the contract asset (under the long-term RME rail contract) at 31 December 2024 to £51.2m (31 December 2023: £48.6m). The Committee challenged management on the revenue and cost assumptions in the model and challenged the appropriateness of the related disclosures and sensitivities. Following discussion with management and the external auditor, the Committee concurred with the approach taken.

Recoverability of deferred tax assets (see note 27 to the Consolidated Financial Statements)	**Key accounting matter** Over the last few years the Group's deferred tax assets in respect of tax losses have increased due to the impact of the pandemic on profitability. Furthermore, the impact of the pandemic has created consecutive periods of losses and our recovery from it has been slower than anticipated with the pace of profit recovery not sufficient to offset inflationary headwinds, particularly in North America and the UK. In determining whether it is appropriate to recognise deferred tax assets, management is required to consider whether there are sufficient deferred tax liabilities against which to offset these deferred tax assets and, where this is not the case, to satisfy itself both that the recent history of consecutive losses can be explained as being due to the temporary impact of the pandemic and its aftermath as the Group recovers from inflationary headwinds over time (and is therefore not expected to be recurring) and that there are sufficient taxable profits projected in order to utilise these losses in an appropriate timeframe, such that the utilisation of losses is considered 'probable'. **Committee action and conclusion** The Committee considered management's assessment as to the recognition of deferred tax assets as at 31 December 2024. Whilst a significant improvement in profitability in North America and the UK had been expected in 2024, after a recent history of losses due to the impact of the pandemic and the subsequent recovery, actual performance in the year for these two businesses was significantly below management's previous forecasts. Given this adverse performance to forecast in 2024, and given the current stage in the turnaround of both businesses, the future profitability within the financial forecasts for both the UK and North America School Bus as at 31 December 2024 used for the deferred tax asset recognition (and also consistently applied to the goodwill impairment assessment) have significantly reduced compared to the prior year. Whilst management's strategic plan forecasts prepared in 2024 include profit improvement actions that aim to improve the future financial performance of both businesses, these have not been included in the forecasts used for this exercise as they cannot currently be objectively evidenced at this stage in the turnaround. The result of this is that the expected period of utilisation of losses according to the prepared forecasts has significantly increased in FY24 compared to the prior year. The Committee noted that there had been a significant impairment of goodwill in the School Bus cash generating unit within North America, whereas in the UK, the headroom has been significantly reduced; all of which is considered by management to be 'negative evidence' as to deferred tax asset recognition. After considering the above and hearing from the external auditor, the Committee concurred with management's view that given the above factors which arose in the current year, continued full recognition of these deferred tax assets no longer remained appropriate; and the Committee agreed with management's approach of derecognising previously recognised deferred tax assets of £215.1m.
Pension liabilities (see note 32 to the Consolidated Financial Statements)	**Key accounting matter** The determination of the defined benefit obligation of the UK defined benefit pension scheme depends on the selection of certain assumptions. In particular, a key area of estimation uncertainty is in respect of the discount rate. **Committee action and conclusion** The Committee reviewed the assumptions made by management in determining the defined benefit obligation, including considering the advice from independent qualified actuaries, and concluded that they were appropriate.

Appendix 2 – System of internal control

Third line of defence

Board of Directors
Sets and monitors delivery of Group strategy, sets Group risk appetite, assesses the Group's principal and emerging risks and approves significant matters reserved to it

Audit Committee
Assists the Board in assessing risk management and reviews the effectiveness of the internal audit function and the external audit process

Internal Audit Function
Audits the effectiveness of the Company's first and second line internal controls through the independent observation and objective assessment of such controls

Second line of defence

Group Executive Committee
monitors the frameworks, policies and procedures and effectiveness of the functions referred to below

Group Risk Management Framework
sets the methodology under which Group and its divisions identify, assess, manage and monitor existing and emerging risks

Group Policy Compliance Framework
under which corporate policies, such as those on anti-bribery and anti-modern slavery, are created and enforced

Group Safety Policies
set minimum expectations for safety outcomes, such as speeding and driver risk monitoring

Group Standard Operating Procedures
set minimum standards for operations, such as vehicle maintenance and driver rostering

Group Whistleblowing Policy
by which internal and external stakeholders can raise concerns about wrongdoing

Group Cyber Security Programme and Team
which set cyber security strategy and control and monitor progress against that strategy and compliance with those controls

Group Environmental Data Reporting Guidelines & Group Sustainability Director
which help track delivery of environment strategy and ensure the integrity and consistency of environmental data collection and its reporting

Group Consolidated Financial Reporting & Group Finance Team
which consolidate and review Group financial results

Group Treasury & Tax Functions
which centrally manage Group treasury activities and set Group tax strategy and review tax compliance

Group Legal Reporting & Group General Counsel
which monitor, report and provide legal advice on Group legal risks

First line of defence

Divisional Executive Committees
which monitor the policies and procedures and the effectiveness of the functions referred to below

Divisional Safety, Operational, Cyber and Environmental Policies and/or Procedures
which implement Group policies and/or procedures

Divisional Risk Registers & Management
which track divisional risks and develop mitigations

Divisional Budgets & Forecasting
which set divisional financial expectations and monitor delivery

Divisional Finance Teams
maintain the financial ledgers and prepare divisional accounts

Divisional Legal Teams
provide legal advice and assistance on divisional legal risks

Nominations Committee report

JORGE COSMEN
Nominations Committee Chair

Activity highlights

- Kept Board and Committee composition under review, recommending changes to Committee memberships and led the process to appoint a new Interim Group Chief Financial Officer
- Reviewed senior management succession plans, with a particular focus on the Group Executive Committee, the Group's finance functions and the German Rail division
- Reviewed the diversity of the Group's senior leadership teams and assessed this against the Group's diversity targets

For information on the primary role and key responsibilities of the Nominations Committee, please visit the Committees page of the Company's website: https://www.mobicogroup.com/about-us/corporate-governance/committees/

Membership, meetings and attendance

Committee member	Appointed	Meetings attended/held
Jorge Cosmen (Chair)	01/12/2005	3/3
Helen Weir	31/01/2023	3/3
Karen Geary[1,4]	01/10/2019	2/3
Carolyn Flowers[1]	30/11/2021	3/3
Mike McKeon[1,2,3]	01/08/2023	1/1
Enrique Dupuy de Lome Chávarri[1,2]	11/06/2024	2/2

1 Independent Non-Executive Director
2 Mike McKeon and Enrique Dupuy de Lome Chávarri attended all Committee meetings held in the year while they were a Committee member
3 Mike McKeon ceased to be a member of the Committee following the AGM on 11/06/2024
4 Karen Geary was unable to attend one of the Committee meetings due to exceptional circumstances

Other attendees: Group General Counsel and Company Secretary (or their Deputy), Group Chief Executive Officer and Group HR & Communications Director

Board and Committee composition during the year under review

Throughout 2024, the Committee kept the composition of the Board and its Committees under review.

In April 2024, it was announced that James Stamp would stand down as Group Chief Financial Officer and as a member of the Board with effect from 11 June 2024. James joined the Company in July 2017 and prior to being the Group CFO, he had served on the Group Executive as the Group Commercial and Strategy Director and as the CFO for the UK and Germany. James remained with the Group until June 2024 to ensure an orderly handover of responsibilities. We wish James all the best for the future.

Helen Cowing joined the Company on 8 May 2024 and was appointed as Interim Group CFO on 11 June 2024 following a rigorous recruitment process undertaken with the assistance of consultancy firms Odgers Berndtson and Savannah Group. These firms are independent of both the Group and its directors. Helen brings a wealth of CFO experience in both transformational and turnaround situations. She has previously held Group CFO roles at Selecta Group, Ideal Standard International BV and Octopus Group. Helen is not a Mobico Board member.

Mike McKeon, who was also the Chair of the Audit Committee and a member of the Nominations Committee, stood down from the Board on 11 June 2024 having served as a Director for just under nine years. On behalf of the Board, I would like to extend my sincere thanks to Mike for his valued service to the Company.

Following these changes, the Board is currently comprised of eight Directors who, as described in their biographies on https://www.mobicogroup.com/about-us/our-leadership-team/ and as shown by the table on page 107, have, between them, a wide range of highly relevant knowledge, skills, and experience. This table is used by the Committee when considering Board succession planning.

The Committee kept the membership of all the Board's Committees under review during the year to ensure that each Director's knowledge, skill and experience was being put to best use and that Non-Executive Directors were maintaining an appropriate share of Committee responsibilities. Accordingly:

- Enrique Dupuy de Lome Chávarri became Chair of the Audit Committee and a member of the Nominations Committee, in each case with effect from 11 June 2024 when Mike McKeon stepped down from the Board and its Committees; and
- Nigel Pocklington became the Chair of the Remuneration Committee with effect from 1 August 2024, following Karen Geary stepping down from the role. Karen remains a member on the Remuneration Committee and is the Company's Senior Independent Director.

The Audit Committee is composed of three independent Non-Executive Directors who, between them, have both the requisite disciplinary experience and wider relevant experience. The Remuneration and Nominations Committees each remain composed of a majority of independent Non-Executive Directors who, between them, have a good balance of relevant skills and experience.

Name and role of Director	Passenger transport industry experience[1]	Closely adjacent industry experience	UK listed company experience[1]	Operational/ management experience	International business experience[1]	Finance/accounting experience[1]	People/remuneration experience[1]	IT/Digital experience[1]	ESG experience[1]
Helen Weir Chair			●	●	●	●		●	
Jorge Cosmen Deputy Chair and Nominations Committee Chair	●			●	●				
Ignacio Garat Group Chief Executive Officer		●		●	●		●	●	
Karen Geary Senior Independent Non-Executive Director	●		●	●	●		●		●
Ana de Pro Gonzalo Non-Executive Director		●		●	●	●		●	
Carolyn Flowers Non-Executive Director and Sustainability Committee Chair	●			●	●				
Nigel Pocklington Non-Executive Director and Remuneration Committee Chair	●		●	●	●		●	●	●
Enrique Dupuy de Lome Chávarri Non-Executive Director and Audit Committee Chair	●		●	●	●	●			

1 For all Directors, excluding via their directorships with the Company

Post the year end, Helen Weir informed the Board that for personal reasons she does not intend to stand for re-election as a member of the Mobico Board at the Group's 2025 AGM. The Committee, together with an external search firm, led the search for Helen's successor. As announced on 27 March 2025, Phil White will become Chair of the Board on 1 May 2025 and Ms Weir will stand down from the same date. Further details on the recruitment process will be in next year's Committee report.

Board, Committee and Director effectiveness

During 2024, the effectiveness of the Board, its Committees and of individual Directors was assessed by means of an external evaluation.

The Chair of the Board, in consultation with the Company Secretary and following discussions with several potential providers, selected Bernice Dunsmuir of Constal Limited ("Constal") to undertake the evaluation. Neither Ms Dunsmuir nor Constal has any other connection with the Group or its directors.

The evaluation was designed to assess how effectively the Board functions as a whole and how effectively its Committees function. The evaluation involved a robust process, which included the Directors completing an online questionnaire designed specifically for the Company, one-on-one interviews with the Directors and certain members of the Group Executive Committee and Constal observing a Board meeting. Constal then analysed the questionnaire answers, interview outcomes and the Board meeting observations, to produce a balanced report which was presented to, and discussed by, the Board.

The report identified positive aspects and areas for further improvement. Some of the positives identified where: (i) the Board contained individuals who contributed the right skills and provided valuable insights, (ii) there were sufficient meetings and presenters are well prepared and engaged, and (iii) the Board's Committees generally functioned well. The key opportunity for further improvement was to focus on the dynamic between the Non-Executive Directors and the Executive Directors to ensure optimum outcomes and alignment – this was not surprising in the context of a very challenging year for the Group. The Board decided to have an independent externally facilitated meeting in 2025 to address and improve this key objective, as they recognise the importance of ensuring better equilibrium and future alignment.

Senior management succession planning

During 2024, the Committee undertook its annual review of senior management succession planning, with a particular focus on the Group Executive Committee, the Group's finance functions and the German Rail division.

The review this year showed weakening succession pipelines, particularly within the Group's finance functions. As a result, the Committee were informed of key actions underway to address capacity and capability within those functions and received a second update on progress made against those actions. The Committee was pleased to hear about the additional resource appointed to the functions which has strengthened bandwidth, given greater depth of experience and heightened technical skills, and these changes across the functions have allowed improved focus on the process efficiencies. However, there is still more work to be done with plans to continue recruiting additional resource into the functions to support business as usual and strategic projects.

Group commitment to diversity and inclusion

The Group is committed to ensuring diversity in all its forms among its colleagues as these can:

- improve decision-making at all levels of business by ensuring that diverse perspectives are brought to bear in those decisions;

- attract, retain and promote the best talent by developing a culture of inclusion where all individuals are respected and supported to reach their full potential; and
- better serve our customers, other stakeholders and the communities in which we work by ensuring the diversity of our workforce is representative of the diversity of our stakeholders.

The Group remains committed to enhancing diversity at all levels of its organisation, from the Board and senior management team to those working in front-line roles. This commitment helps support the delivery of our Evolve strategy by contributing directly to our desired outcome to be the employer of choice and also contributes indirectly to other desired outcomes, such as to be the safest and most reliable operator and have the most satisfied customers.

The Board's diversity policy is set out below and the Committee believes this remains the right policy by specifically promoting gender and ethnic diversity as well as diversity of thought while ensuring all Board members have the right experience and skills. Committee members are drawn from the Board, and therefore these policy considerations have already been taken into account when considering Committee membership.

The Board's policy on diversity and inclusion is:

- to achieve and then maintain at least 40% female representation on the Board;
- to achieve and then maintain ethnic minority representation on the Board;
- to ensure that its membership reflects the diversity of the geographies and customers that the Group serves and takes into account wider diversity characteristics; and
- to respect the differences of its members and value and encourage the diversity of thought that such differences can bring,

in each case and always within the context of Board members having, between them, the experience and skills required to support the development, oversight and delivery of the Company's strategy.

The Committee is pleased to report that at 31 December 2024 the Board continued to meet all three of the diversity targets introduced by the Listing Rules during 2022. At that date, at least 40% of the Board's Directors were women, at least one ethnic minority Director served on the Board, and three women served in senior Board roles, namely Helen Weir as Chair, Karen Geary as Senior Independent Director and Helen Cowing as Interim Group CFO (albeit Helen Cowing is not a Board member). Between that date and the date of this report, Helen Weir has informed the Board that she does not intend to stand for re-election at the Group's AGM; therefore and as previously announced, Phil White will join as Chair of the Board from 1 May 2025 and Ms Weir will stand down from the same date. This means that from 1 May 2025, and assuming there are no other changes to the Board's composition, 37.5% of the Board's Directors will be women. The Board will continue to meet the other two targets following these changes.

The table below sets out the numerical data on diversity as at 31 December 2024 in the standardised table format as required by the Listing Rules. We engaged with the individual members of the Board and the Group Executive Committee ('GEC') to verify their diversity data.

Diversity is a key consideration in senior management succession planning and diversity within the current senior management team and the talent pipeline is considered as part of the Committee's annual review.

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number of executive management	Percentage of executive management
Men	4	50%	1	6	60%
Women	4	50%	3[1]	4	40%
Other categories	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

1 Helen Cowing is the Interim Group CFO and therefore has been included in this number but she is not a Board member

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number of executive management	Percentage of executive management
White British or other White (including minority-White groups)	7	87.5%	4[1]	10	100%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/ Caribbean/Black British	1	12.5%	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/ prefer not to say	–	–	–	–	–

1 Helen Cowing is the Interim Group CFO and therefore has been included in this number but she is not a Board member

The gender diversity of the Board and GEC as at 31 December 2024 is shown in the numerical data table on the previous page and the pie charts to the right. The gender diversity of the Group's Senior Leadership Team ("SLT") is 29% women and 33% women for all colleagues within the Group as at 31 December 2024, as shown by the pie charts to the right. As such, gender diversity remains strong from the senior management level across the entire workforce as a whole.

In 2023, the Group collated ethnic diversity data for the SLT for the first time. The results were that 6% of the SLT population identified as an ethnic minority in 2023. 5% of the GEC and Board combined identified as an ethnic minority in 2023. In line with recommendations made by the Parker Review in 2023, the Committee agreed that the Company it would adopt the following targets: by 31 December 2027, at least 15% of the individuals on the Company's: (i) SLT, and (ii) GEC and Board combined, will identify as an ethnic minority. In 2024: (i) 5% of the SLT population identified as an ethnic minority, noting that the SLT population has increased to 185 individuals and captures a slightly wider definition than the senior management definition used by the Parker Review, and (ii) 6% of the GEC and Board combined identify as an ethnic minority. The Committee will continue to monitor progress against these targets. In particular, the Committee notes that the Parker Review clarified that their focus is on senior management within the UK rather than worldwide and therefore the Committee will assess during 2025 what impact this will have on its targets.

For more on the Group's diversity initiatives, please see the Sustainability section of the Strategic Report on page 57.

Proposed election or re-election of Directors

Having regard to the outcome of the external evaluation described in this report, and in particular, the Committee's finding that Board members have, between them, highly relevant knowledge and experience, a broad range of skills and a collective deep understanding of passenger transport, the Committee is satisfied that the Board and its Committees function effectively and that each Director contributes well to the Company.

The Committee has also considered the independence of each individual Director and the overall independent balance of the Board and its Committees. The Board, on the Committee's advice, is satisfied that there is an appropriate balance of independence on the Board and all its Committees, and that each Director who is identified as being independent on page 88 is so independent.

The Committee further considered each individual Director's commitment to the Company, their external commitments and any actual and potential conflicts of interest in line with the Company's policies, as referred to on pages 88 and 89. The Board, on the Committee's advice, is also satisfied that each Director has dedicated, and is able to dedicate, sufficient time and attention to their duties to the Company.

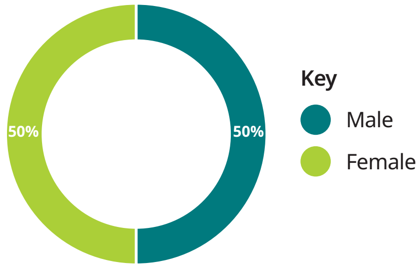
Accordingly, the Board, on the Committee's advice, is recommending that shareholders elect Phil White and re-elect all the other current Directors of the Company at the 2025 AGM, save for Helen Weir who will stand down from the Board from 1 May 2025.

Jorge Cosmen
Nominations Committee Chair

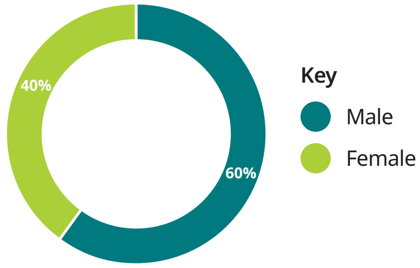
28 April 2025

Gender diversity at Mobico as at 31 December 2024

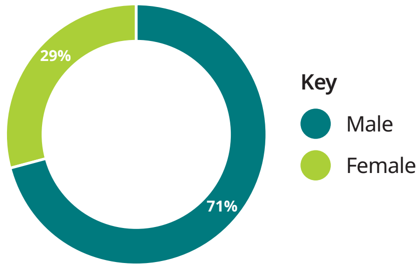
Directors of the Group



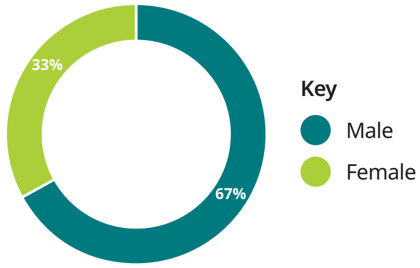
Group Executive Committee



Senior Leadership Team



Entire workforce



Sustainability Committee report

CAROLYN FLOWERS
Sustainability Committee Chair

Activity highlights

- Assessed the Group's performance against its sustainability strategy and targets and reviewed the plans for achieving its sustainability ambitions, which included a review of KPI dashboards and the Group's transition milestone plan
- Approved the Group's new Environmental Policy and its second Sustainability Report
- Endorsed the Group's new wellbeing strategy and the approach to monitoring employee engagement in 2024
- Educated on future sustainability reporting requirements, including Corporate Sustainability Reporting Directive and ISSB Sustainability Standards
- Reviewed and approved the Group's sustainability disclosures reported in this Annual Report

For information on the primary role and key responsibilities of the Nominations Committee, please visit the Committees page of the Company's website: https://www.mobicogroup.com/about-us/corporate-governance/committees/

Membership, meetings and attendance

Committee member	Appointed	Meetings attended/held
Carolyn Flowers (Chair)[1]	11/05/2022	3/3
Jorge Cosmen	11/05/2022	3/3
Karen Geary[1,2]	11/05/2022	2/3
Helen Weir	31/01/2023	3/3
Nigel Pocklington[1,3]	01/08/2023	2/3

1 Independent Non-Executive Director

2 Karen Geary was unable to attend one scheduled meeting of the Sustainability Committee due to exceptional unforeseen circumstances

3 Nigel Pocklington was unable to attend a Sustainability Committee meeting due to an unavoidable conflict

Other attendees: Group General Counsel and Company Secretary (or their Deputy), Executive Directors, Group Sustainability Director, Group HR Director, Head of Group Accounting and Reporting and Group Director of Organisational Effectiveness

Governance

The Executive Directors are the sponsors of the Group's sustainability ambitions and are responsible for the delivery of the Group's strategies relating to sustainability, supported by the Group Sustainability Director, the Group Human Resources Director, divisional CEOs and divisional sustainability specialists.

The Committee's role is to review the appropriateness of the Group's sustainability ambitions and strategies in the context of its broader strategy, to monitor and report to the Board on the Group's progress in achieving those ambitions and delivering those strategies. It also plays a key role in overseeing the Group's sustainability reporting.

Reporting and communication

The Group's external report on climate-related risks and opportunities in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) for 2024 is set out on pages 68 to 80. Its mandatory disclosures on energy consumption and carbon emissions, including under the Streamlined Energy and Carbon Reporting regulations (SECR), can be found on page 246. These disclosures have been reviewed and approved by the Committee.

The Committee also received updates during 2024 on the Corporate Sustainability Reporting Directive ("CSRD"), which the Group will need to comply with over the coming years, and the ISSB Sustainability Standards, which the Group have voluntarily adopted in part early, ahead of required compliance.

Progress on internal sustainability reporting has continued during 2024: (i) the Committee continued to review environment and people KPIs, which track key environment and people metrics enabling the Committee to monitor progress, (ii) the Group engaged a new external provider to support and develop its carbon emissions calculations, who will assist with the future reporting requirements referred to above, (iii) the Committee was pleased to hear of the efforts being made to improve the quality and quantity of disclosure to external ESG rating agencies, (iv) the Group has been working more closely with its value chain to reduce emissions, and (v) the Group has partnered with both pollution and biodiversity sponsors.

During the year, the Committee reviewed and approved the Group's Sustainability Report for 2023/2024 as part of its role in overseeing how the Group communicates and reports sustainability matters to its stakeholders. The report sets out progress made by the Group against the overarching sustainability strategy, and it is available on the Company's website at: https://www.mobicogroup.com/media/whmhnjcf/mobico-sustainability-report-2023-24.pdf. The Group also has an overarching Environmental Policy, which was approved by the Committee during 2024, and an Emissions Recalculation Policy, both of which can be found at www.mobicogroup.com/about-us/our-policies/.

Sustainability overview

The Committee has continued to monitor progress against the Group's overarching sustainability strategy during 2024, which it endorsed during the previous year. The strategy is based on three pillars: planet, people and places, which are in turn linked to the Evolve strategy outcomes of being an environmental leader, an employer of choice and our purpose, to drive modal shift. Please see pages 60 to 67 for more information.

The Committee monitored progress of each pillar of the overarching sustainability strategy as set out on the next page.

Environment – Planet

Environment ambitions

The Group's environment strategy is centred around transitioning its fleet of vehicles across its operating subsidiaries to zero emission vehicles (ZEVs). Building on the Group's commitment to never buy another diesel bus in the UK and its ambition to have zero carbon emission fleets in UK Bus by 2030 and UK Coach by 2035, in 2021 the Group adopted wider ambitions to have zero carbon emission fleets in North America Transit & Shuttle by 2030, Spain Bus by 2035 and in each of Spain Coach, Morocco Bus and North America School Bus by 2040. Approximately 93% of the Group's Scope 1 and 2 carbon emissions originate from fuelling its fleet, so this transition to ZEVs will have the greatest effect in reducing the Group's impact on the environment and improving air quality in the communities it serves. See page 59 for more information on the Group's fleet transition ambitions.

The Committee has monitored progress against these ambitions during 2024 through reviewing the Group's ZEV transition plan, which included an update on progress against the fleet ambitions and the projected impact on our emissions. Our ZEV portfolio continued to grow in 2024 from previous vehicle orders placed, and our Scope 1 and 2 emissions per million passenger kilometres have reduced year-on-year by 3.5%, despite an overall increase in passenger miles. However, during the year we made the commercial decision to slow the rate of further ZEV orders in the short term, to reflect our unrelenting focus on cash generation and deleveraging while our business performance continues to improve. Our 2024 out-turn on ZEVs was 1,100 compared with a target of 1,500. Nonetheless, our longer-term targets remain unchanged at the current time, subject to any necessary adjustment in the event of any sale of School Bus. Additionally, we continue to monitor the changing market environment in the UK, regarding the potential for franchising in UK Bus in the West Midlands; and the implications of that on our vehicle procurement in the short to medium term.

Environment performance

In 2019, the Group was an early adopter of six KPIs with related targets to track the Group's progress in reducing its impact on the environment using the Sectoral Decarbonisation Approach methodology. These targets were chosen to meet the then-prevailing IPCC goal of controlling the increase in global warming to below 2 degrees above pre-industrial levels. Last year the Group set near-term carbon reduction targets covering Scope 1, 2 and 3 emissions and which are aligned to the Paris Agreement target of limiting average annual temperature increases to 1.5 degrees above pre-industrial levels. During January 2024, these targets were externally validated by the Science Based Targets Initiative ('SBTi') and the approved targets are set out on page 78.

The Committee reviewed progress against these new SBTi-approved targets during the year, and the results are set out in the table on page 79. Absolute Scope 1 and 2 emissions are down 1.9% on 2023. Overall Scope 3 emissions have increased by 8.8% year-on-year and the vast majority is due to Category 2. See page 80 for further commentary.

As also explained in previous Annual Reports, the Remuneration Committee has set environmental performance metrics in each of the last three annual long-term incentive plan (LTIP) awards granted to the Executive Director(s). The vesting level of the 2022 LTIP is as set out in the Directors' Remuneration Report: see page 114 for further detail.

Social – People and Places

Social ambitions

A number of the Group's social ambitions are intrinsically linked to our Evolve strategy; the employer of choice, the safest, the most reliable and the most satisfied customers.

The Group's people are a critical component of our successful delivery of all of our goals — including safe and reliable service. The welfare of our employees is a key driver of the Evolve target of being the employer of choice. Our focus is to engage with our employees to ensure their physical and mental safety. Our people strategy, which was launched in 2022, has three pillars: Embrace, Energise and Elevate, which are underpinned by our Essentials, as further described on page 66 of the Strategic Report. Although a number of cost saving initiatives this year have meant that some of the planned activity on the people strategy has had to be delayed, the Committee was nevertheless pleased to note progress against all four 'E's during 2024, including the new driver recruitment and retention initiatives which have resulted in driver headcount, establishment and pipeline increasing and a 10% year-on-year increase of female drivers in ALSA, in each case compared to 2023. Driver recruitment and retention continues to be a focus for the divisions.

The Committee endorsed the Group's new overarching wellbeing strategy, "Be Well", during the year, to build on the framework in place within the divisions. The Group has partnered with Mental Health UK and is focused on actively promoting activities and campaigns that encourage open conversations, reduce stigma and empower colleagues to seek help when needed. More on the new 'Be Well' strategy can be found on page 67

The Committee also received an update on the Places pillar, with the Committee learning about the Group's new partnership with GreentheUK to plant a hectare of wildflowers close to the UK's network, as well as the activities undertaken by our divisions in the communities they serve, including the UK division's ongoing Road to Rescue scheme in partnership with Women's Aid. Additionally, the Group has been a proud corporate partner to Transaid for over a decade. Transaid's mission, to transform lives through safe, available transport, sits at the heart of our purpose, to drive modal shift and key outcomes of the Evolve strategy.

Social performance

The Group has previously tracked its social performance through the results of the 'Your Voice Matters' all-employee survey, through improvements to global engagement and eNPS scores. The last survey was undertaken at the end of 2023, and the Committee had reviewed results from that survey in early 2024, as reported in last year's Committee report, where the targets had just been missed but also demonstrated good year-on-year progress.

The difficult decision was made during the year to postpone the 2024 'Your Voice Matters' survey until the second half of 2025 to enable more time to progress action plans. However, the importance of measuring the Group's culture, engagement and sentiment is recognised and the Committee was pleased to hear about, and endorsed, the varied methods being adopted to ensure that employee engagement was well-monitored through alternative means: these included the introduction of pulse surveys, comprising a shorter set of questions issued to both specific segments of the workforce, as well as a general cross-section. The Committee also heard about a new 'mood board' developed to enable to the Group Executive to monitor engagement, using information gathered from 'mood checkers' on the Group's intranet, internal and external social and work channels, as well as information from divisional HR directors. For more information on these initiatives, please see page 67.

These methods provide actionable feedback that is broadly aligned with the key focus areas in the full global survey. The Committee noted that some key themes arising are: (i) the majority of our employees are proud to work for Mobico, have a strong sense of belonging and are inspired by the Company which is really positive to hear; however, retention will need to remain a focus area in 2025 with these areas scoring lower, albeit this is not surprising given the degree of change during 2024, and (ii) wellbeing is an area that has seen improved results since it was first tracked, which is pleasing to see given the launch of the new wellbeing strategy.

Carolyn Flowers

Carolyn Flowers
Sustainability Committee Chair

28 April 2025

Remuneration at a glance

Aligning our remuneration approach to the Group's strategy

Our remuneration approach is aligned to our purpose, values and strategy, thereby incentivising the creation of long-term value for all of our stakeholders.

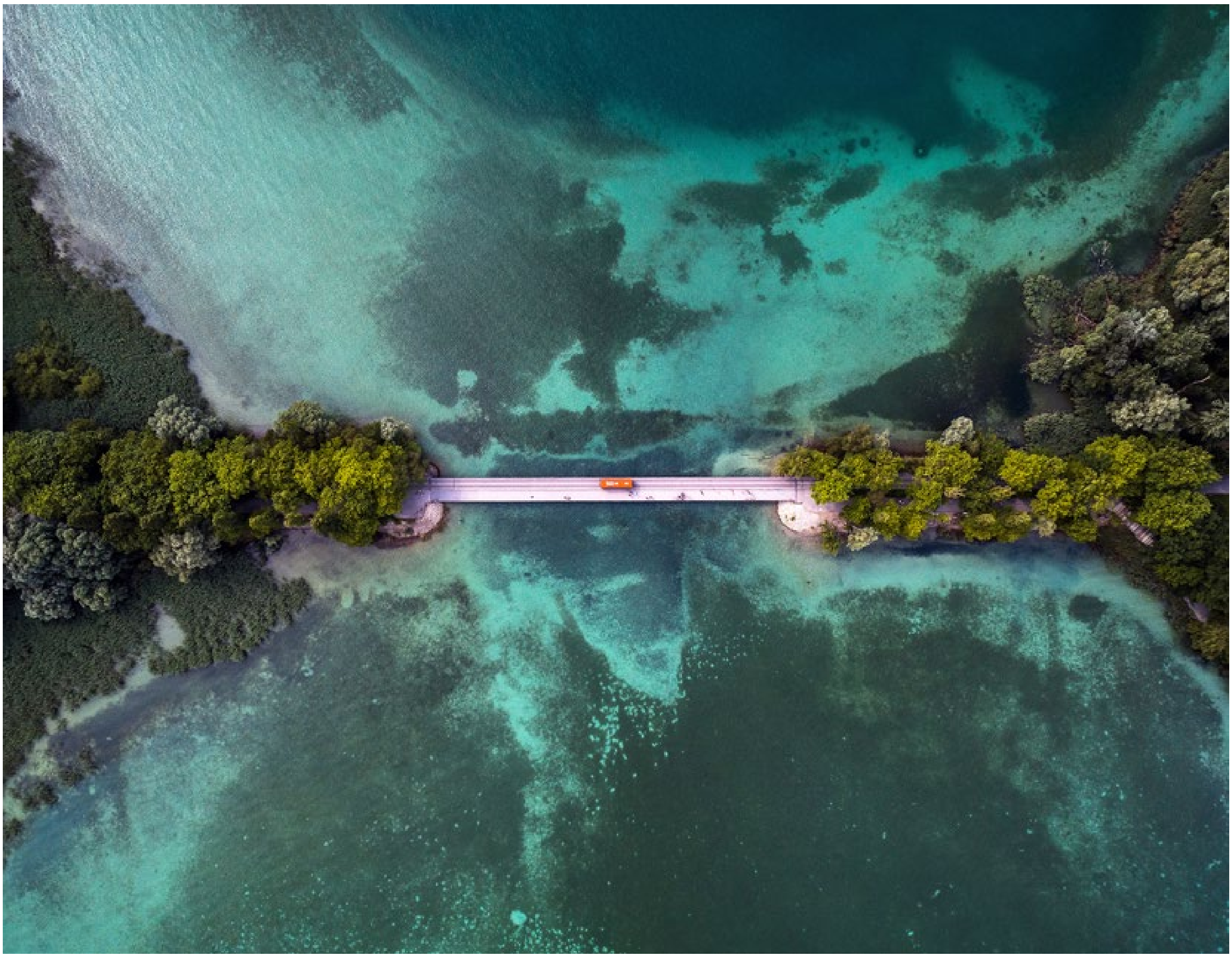
Our purpose is to lead the modal shift from cars to mass transit

Our Evolve strategy

Stakeholders

Our remuneration approach supports our business and people strategy and reflects the views of all different stakeholders

Our remuneration frameworks are designed to be aligned to strategy and reflect the interests of each of our stakeholder groups



Remuneration Committee report

NIGEL POCKLINGTON
Remuneration Committee Chair

Activity highlights

- Renewed our shareholders' approval for our Directors' Remuneration Policy at our 2024 AGM
- Tracked financial results/remuneration outcomes for Executive Directors and senior management
- Reviewed 2024 annual bonus/2022 LTIP out-turns for Executive Directors/senior management
- Reviewed the Chair's/Executive Directors'/senior managers' pay/benefits in 2024, in the context of their performance, the Company's performance and the Group's stakeholder experiences
- Considered and set targets and performance conditions for the 2025 annual bonus and the 2025 LTIP awards to be made to Executive Directors and senior management
- Ongoing remuneration environment/best practice review

For information on the primary role and key responsibilities of the Remuneration Committee, please visit: https://www.mobicogroup.com/about-us/corporate-governance/committees/

Membership, meetings and attendance

Committee member	Appointed	Meetings attended/held
Nigel Pocklington (Chair from 1 August 2024)[1]	01/08/2023	4/4
Karen Geary (Chair until 1 August 2024)[1]	01/10/2019	4/4
Ana de Pro Gonzalo[1,2]	04/12/2021	2/4
Helen Weir	31/01/2023	4/4

1 Independent Non-Executive Director

2 Ana de Pro Gonzalo was unable to attend two of the scheduled Remuneration Committee meetings, as those meetings had to be re-arranged to dates when she was unavailable

Other attendees: Group General Counsel & Company Secretary (or their Deputy), Group CEO, Group CFO, Group HR & Communications Director, Group Employee Experience Director, Korn Ferry and FIT representatives (independent remuneration advisers). No individual was present when his/her own remuneration was discussed.

On behalf of the Board and as Chair of the Remuneration Committee, I am pleased to present the 2024 Annual Report on Remuneration. The report aims to set out simply and transparently how remuneration has operated across the Group in 2024, including the decisions made by the Committee on Chair, Executive Director and senior management remuneration, the associated rationale for these decisions, and how the Committee intends to operate the Directors' Remuneration Policy in the year ahead.

2024 AGM and renewal of our Directors' Remuneration Policy

As a Committee we were pleased that the votes at our 2024 AGM to approve the three-yearly renewal of our Directors' Remuneration Policy and to approve our 2023 Directors' Remuneration Report each received around 99% support from shareholders' voting.

We take these results to reflect ongoing support for the Group's remuneration structure and the Committee's approach to implementation of the Directors' Remuneration Policy in a challenging environment.

2024 business performance

As you will have read earlier, while it has been another challenging year for the Group, as our businesses transition through different stages of recovery, it is encouraging that we were able to announce FY24 profits in line with guidance at £187.7m, representing operating profit growth of 11.3%. Our cost-reduction initiatives have also delivered savings in line with expectations.

ALSA has once again delivered record results, underpinning the overall growth of the Group with good progress in North America, which has been achieved against the backdrop of the School Bus sales process and the separation of the businesses.

Our focus on balance sheet management continued, and with progress on debt and deleverage reduction, our key covenant gearing metric reduced to 2.8x.

Nonetheless we acknowledge that these results overall fall short of both our and our shareholders' ambitions and, during the year, our shareholder experience did not materially recover. Accordingly, this performance context and the steps being taken to restructure the Group, including via the sale of North America School Bus, have been a key background for all of the Committee's decisions on pay matters for both the 2024 financial year outcomes, and looking ahead to 2025. As we explain further below, there were nil bonus outcomes for Executive Directors in 2024.

Once again, the Group maintained its relentless focus on safety with a continuing commitment to innovation and the utilisation of latest technology to enhance performance. The Group's safety excellence continued to be recognised externally during 2024, with ALSA, the UK and Bahrain achieving external accreditation, the UK Coach and Bus divisions receiving 5* BSI safety audits and ALSA achieving the highest rating in the assessment of Workplace Road Safety from the regional authorities in Madrid. However, there was one preventable fatality during the year so although the safety targets for bonus (Group FWI index) would have been met, there would have been no bonus payment on the FWI metric for Executive Directors in any circumstances due to the policy which we apply in these cases.

Our ambitions for environmental leadership remain unchanged and we continue to support this via remuneration plans when it is appropriate to do so. Our ZEV portfolio continued to grow in 2024, and although the decision was made in 2024 to slow the rate of further ZEV orders in the short term, our 2024 out-turn on ZEVs was recognised via a partial LTIP vesting for our ZEV growth metric as explained further in the report. However, this experience showed the challenge of setting environmental metrics for LTIPs over a three-year period while the business is continuing to transition.

Wider workforce context

The Committee's responsibilities in respect of overseeing remuneration across the business have once again been a major part of the Committee's activities during the year.

Mobico Group continues to be a real Living Wage accredited employer in the UK and the Committee is conscious that cost of living continues to pose challenges for our colleagues. Given the range of operations and geographies within the Group, salary increases differ. UK salary increases awarded to non-unionised colleagues will average 3%, with our other geographies following similar approaches.

The Group is also committed to supporting employees beyond this and operates a number of support packages for colleagues such as access to hardship loans, employee discounts and financial education webinars, in addition to wider health and wellbeing support through the provision of apps and seminars.

For more information on progress made in supporting colleagues, see pages 66 and 67 earlier in the report.

2024 activity and remuneration outcomes

When our 2024 LTIP award was made, in June 2024, we made an adjustment to the number of shares awarded to reflect the reduced share price of the Company. This adjustment scaled down the number of shares in the CEO's 2024 LTIP award by 30%, and this is the second consecutive year (following 2023) in which an adjustment to LTIP at this 30% level has been made.

In determining annual and long-term incentive outcomes for 2024, the Committee reviews not only the financial outcomes against targets set, but also considers wider performance. As an example, these factors include growth in passenger numbers, shareholder experience and wider stakeholder experience.

The Committee believes that the incentive plans continue to drive the desired behaviours to support the Company's values and strategy, are aligned with stakeholder experience and that the Directors' Remuneration Policy has operated as intended in 2024.

2024 Annual bonus

The formulaic out-turn of the annual bonus was nil for the CEO. At the start of the 2024 year a Group PBT gateway was set as part of the 2024 annual bonus. This gateway was not achieved and nil bonus is payable despite progress on certain bonus measures.

LTIP vesting

Based on performance against the targets, the vesting outcome of the 2022 LTIP was assessed as providing vesting at 9.96% of maximum. This reflected partial vesting under the metric for growing our ZEV fleet which was partially achieved.

There was nil vesting under the remaining metrics for the 2022 LTIP (ROCE (25% weighting); EPS (25% weighting); relative TSR (25% weighting); reduction in CO_2 emissions per million passenger kilometres (12.5%)). Although the final ROCE figure was above the threshold vesting level for this measure, the Committee applied negative discretion and determined that a nil vesting was appropriate, considering wider financial performance.

2025 remuneration arrangements for the CEO

The Committee has, being mindful of the operating circumstances and the wider macroeconomic environment for the Company, determined that the following treatments should apply for the CEO's remuneration arrangements in 2025.

- **Base salary** – a 3% increase to the CEO's salary was applied from 1 January 2025 and the CEO's salary for 2025 will be £618,000 (£600,000). This level of increase aligns to the percentage salary increase applied in the UK.
- **Annual bonus** – the CEO's annual bonus for 2025 will operate in a framework that is largely consistent with the annual bonus for 2024:
  – Maximum opportunity – 200% of base salary (50% of outcomes to be deferred in shares for one year)
  – Measures and weightings will be as follows: 45% Group Adjusted Profit Before Tax; 25% Covenant Gearing; 15% Group Safety – Fatality and Weighted Injuries (FWI) index score; 15% specific personal, strategic and risk management targets. The metrics remain unchanged from those applied in 2024, although personal and strategic metrics have been upweighted to 15% (2024: 10%). This change reflects the importance of a number of longer-term strategic initiatives to be led by the CEO in 2025 while still retaining profits as the largest bonus component.
- **LTIP** – as for 2024, the maximum annual LTIP award will be over shares worth 200% of base salary.

One change has, however, been made for the 2025 LTIP awards where a single relative TSR measure replaces the mix of LTIP measures used in prior years (25% each weightings on EPS, ROCE, relative TSR and Environmental measures).

The Committee strongly favours the simplicity of this approach and, given recent challenges for shareholder returns for Mobico, believes it is appropriate for the 2025 LTIP to be fully measured on TSR, making our shareholders' experience a full focus for this element of our reward package.

TSR as an LTIP metric has the potential to capture all elements of business performance holistically (and in a way fully aligned to shareholders' experience) at a time when there are a range of competing business priorities for the management team – operational excellence and financial performance; capital allocation and investment; balance sheet and capital structure management; continued delivery on our net zero journey. Accordingly, it simplifies our approach compared to having a range of separate metrics with each looking to measure different aspects of our performance over the next three-year period, during which period these priorities may be reweighted by developing business circumstances.

TSR also enables targets to be set in a straightforward and market-aligned way. Consistent with past practice, our relative TSR metric will measure our TSR performance relative to the constituents of the FTSE 250 Index with no vesting below median and requiring at least an upper quintile ranking for full vesting. As we flagged in last year's Directors' Remuneration Report, the potential sale of our US School Bus division may require us to make adjustments to performance measures and the related target ranges to maintain the integrity of the metrics for 'inflight LTIPs' – a market-led assessment under TSR (which would not require such judgements and adjustments) is, we believe, a potentially more transparent safeguard for our investors.

Our TSR condition will remain subject to the underpin assessment which we have applied to all LTIP performance measures for a number of years and under which the Committee can reduce the LTIP vesting level if it is not reflective of the Company's overall corporate performance and/or the Company's shareholder experience. Examples of the circumstances in which such an adjustment could be made include:

- consideration of whether vesting levels represent windfall gains
- substantial mis-alignment between the Company's financial performance and the vesting level
- significant concerns in relation to safety

Concluding thoughts

As this is the first Remuneration Committee Report since I have taken on the role of Chair of the Committee, I would like to thank my colleague Non-Executive Director Karen Geary for her work as the previous Remuneration Committee Chair and I am grateful that Karen continues to serve on the Committee.

At our 2025 AGM, shareholders will be asked to approve the Directors' Remuneration Report for 2024, which will be the normal annual advisory vote on such matters. In addition, as a further normal-course matter, we will be asking shareholders to renew the Company's 10-year authority to operate our LTIP as required under the UKLA Listing Rules. The rules of the LTIP were last approved by shareholders at our 2015 AGM and no material changes are being made to the updated LTIP rules which we will present at the 2025 AGM.

I hope that our shareholders will remain supportive of our approach to executive pay at Mobico and vote in favour of these resolutions at our 2025 AGM.

The Committee is always keen to hear the views of shareholders and their representative bodies and values their ongoing engagement on remuneration matters. I will be available to answer questions on the Directors' Remuneration Report at the AGM, and if any shareholder wishes to contact me in advance of that meeting to discuss any matters disclosed in the report, I can be reached via the Company Secretary.

Finally, as a Committee we wish to thank all of our colleagues throughout the business for their continued hard work and dedication.

Nigel Pocklington
Remuneration Committee Chair

28 April 2025

Directors' Remuneration Policy at Mobico

The Directors' Remuneration Policy for Executive and Non-Executive Directors for the three-year period expiring at the Company's 2027 AGM was approved by shareholders at the 2024 AGM and can be found within the Company's Annual Report and Accounts for 2023, which is available on the Company's website at https://www.mobicogroup.com/about-us/corporate-governance/remuneration.

Alignment to strategy and culture, ensuring risk mitigation and supporting clarity, simplicity, proportionality, and predictability

The table below explains how the Directors' Remuneration Policy, and the Committee's practice in applying it over the year under review, address the factors set out in Provision 40 of the UK Corporate Governance Code as that provision was required to be applied for financial year 2024:

Clarity	Simplicity	Risk
• Clarity and transparency are achieved through a combination of explanations for decisions taken and disclosure of the nature and weighting of annual bonus targets and LTIP performance measures. • The Remuneration Policy and its implementation looks to support the wider Mobico business strategy.	• Achieved by Directors' remuneration being composed of a limited number of elements designed to balance the retention and incentivisation of Directors with the delivery of strategy and shareholder returns. • Executive Director remuneration is composed of only four elements: base salary, pension and other benefits, annual bonus and LTIP. • The annual bonus and LTIP structure operated are market typical and are well understood by shareholders and executives alike.	• A range of features of Directors' remuneration assist in mitigating the risks of excessive rewards and inappropriate behaviour. • Executives are expected to build a material shareholding that must be maintained for a period following departure, which aligns themselves to the long-term interests of Mobico. • Additionally, variable remuneration is subject to malus and clawback provisions ensuring that there is long-term alignment of the executives to any risks the business may have been exposed to during their period as an executive.

Predictability	Proportionality	Alignment to culture
• Some of the same features of Directors' remuneration arrangements that mitigate risk also ensure that outcomes are within a predictable range. • Shareholders are provided with potential values which can be awarded to Executive Directors under the annual bonus and LTIP.	• Achieved through the use of variable remuneration arrangements which links remuneration outcomes and the financial and non-financial performance of Mobico. • The Remuneration Committee has the ability to apply discretion to variable remuneration to ensure it is proportionate and reflects the performance of the business.	• Achieved through strong links between Directors' remuneration and the Company's values. • Mobico values are Safety, Excellence, Customers, People and Community & Environment. • Elements of the Remuneration Policy for Executives are cascaded through the business.

Malus and clawback provisions

Executive Directors' annual bonus awards and LTIP awards are subject to malus and clawback provisions. Malus provisions enable the Committee to reduce the amount (including to nil) of any bonus prior to its award or payment and to reduce the number of shares (including to nil) under any unvested LTIP award prior to its vesting. Clawback provisions enable any bonus amount awarded and paid, and either the number of shares that vested under an LTIP award and/or an amount equal to their market value sale proceeds and/or any other benefits derived from them, to be recovered (in whole or in part, but net of tax) during the period of two years after they have been so awarded or vested, in each case in the following circumstances:

- the discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company for a period that was wholly or partly before the end of the period over which the performance target applicable to an award was assessed (or was due to be assessed);
- the discovery that the assessment of any performance target, measure or condition in respect of an award was based on error, or inaccurate or misleading information;
- the discovery that any information used to determine any performance target, measure or condition in respect of an award (or to determine the number of shares over which an award was granted) was based on error, or inaccurate or misleading information;
- there is action, inaction or conduct of an award holder that, in the reasonable opinion of the Committee, amounts to fraud or gross misconduct;
- there is action, inaction or conduct of an award holder that has had a significant detrimental impact on the reputation of the Company; or
- the Company becomes insolvent or otherwise suffers a corporate failure in connection with which the value of the Company's shares is materially reduced, provided the Committee is satisfied after due investigation that the award holder should be held responsible (in whole or in part) for that insolvency or corporate failure.

Annual Report on Remuneration

1. Statement of implementation of current Directors' Remuneration Policy in 2025

(a) Executive Directors' fixed remuneration

As set out in the Chair's letter, Ignacio Garat's salary is £618,000 for 2025 (£600,000 in 2024, 3% increase).

Ignacio Garat, Group Chief Executive Officer	£618,000

The CEO's pension contribution level is 3%, in line with that of the UK workforce. Benefits available for the CEO include family private healthcare, car allowance and assistance on preparation of UK and Spanish tax returns.

(b) Executive Directors' annual bonus

Executive Directors' annual bonuses for the 2025 financial year will provide a maximum opportunity of 200% of salary for the CEO.

Performance will be assessed by reference to the following performance measures, with weightings indicated in brackets:

- Financial, Group Profit before Tax (45%)
- Financial, Group Covenant Gearing (25%)
- Group Safety, Fatalities Weighed Injuries (FWI) index score (15%)
- Personal objectives, strategic and risk (15%)

A zero preventable fatality underpin will also apply to the full 15% safety element and a minimum level of Group Profit Before Tax will underpin the whole bonus.

When considering the bonus structure and setting the bonus targets for 2025, the Committee has taken into account:

- The need to continue to set robust and stretching targets.
- The need to ensure that annual bonus measures and targets fully align to the business strategy.
- That both Profit Before Tax and Covenant Gearing are key financial measures of overall financial performance of the business and directly link to our financial KPIs – see pages 19 and 20.
- The importance of safety to the Group and all stakeholders. On-target FWI index performance has been set as equal to or better than the Group's last three-year average FWI index, with maximum payout requiring performance that is equal to or better than the Group's best FWI index score in the last three years.
- Personal objectives have been specifically selected to drive delivery of the Evolve strategy and position future growth.

The Committee will disclose the exact targets, the threshold to maximum performance ranges and the strategic and risk management objectives (which are considered commercially sensitive), and relevant performance against these financial targets and the non-financial bonus objectives, in next year's report.

(c) Executive Directors' 2025 Long-Term Incentive Plan (LTIP) awards

Executive Directors' LTIP grants for the 2025 financial year will provide a maximum opportunity of 200% of salary for the CEO. The Committee will consider scaling back grants depending on the number of shares to be awarded at the time of grant.

As explained in the Chair's introductory statement to this report, for the CEO's LTIP award in 2025, a single relative TSR metric will be applied as follows:

Performance condition	Weighting	Threshold (25% vesting)	Target (50% vesting)	Maximum (100% vesting)
TSR versus FTSE 250 constituents	25%	Median	–	Upper quintile

The TSR condition is also subject to the underpin assessment under which the Committee can reduce the LTIP vesting level if it is not reflective of the Company's overall corporate performance and/or the Company's shareholder experience. Examples of circumstances in which such an adjustment could be made include:

- consideration of whether vesting levels represent windfall gains
- substantial mis-alignment between the Company's financial performance and the vesting level
- significant concerns in relation to safety

The performance conditions will be measured over the three-year financial period ending 31 December 2027, awards will be subject to a two-year holding period post vesting and malus and clawback will apply for two years from the date of vesting, including post termination of employment. Dividend equivalent entitlements will attach to any vested shares over the vesting period and during the holding period while options remain unexercised and will be satisfied in shares rather than cash.

(d) Chair's and Non-Executive Directors' 2025 fees

Non-Executive Director fees will operate in line with Directors' Remuneration Policy.

With effect from 1 January 2025 levels were as follows:

Role	Fees (gross)
Chair	£259,325
Senior Independent Director (additional fee)	£11,000
Non-Executive Director (base fee)	£56,000
Committee Chair (additional fee)	£12,000

From 1 April 2025, the Non-Executive Directors' base fee increased by 2.8% (reflecting employee salary inflation) to £57,568.

The letters of appointment for the Chair and the Non-Executive Directors, together with the service agreements for the Executive Directors, are available for inspection at the Company's registered office.

Annual Report on Remuneration

2. Single total figure of remuneration for Executive Directors (Audited Information)

The table directly below sets out the single total figure of remuneration and breakdown for each Executive Director who served during the financial year ended 31 December 2024 (with comparative figures provided for 2023). The subsequent information and tables in this section give more detail on various elements of the Executive Directors' remuneration.

£'000		Base salary	Benefits[2]	Pension allowance	Total fixed remuneration	Annual bonus[3]	Vested LTIPs[4]	Total variable remuneration	Total
Ignacio Garat	**2024**	**600**	**26**	**18**	**644**	**0**	**37**	**37**	**681**
	2023	575	24	17	616	0	0	0	616
James Stamp[1]	**2024**	**187**	**1**	**6**	**194**	**0**	**14**	**14**	**208**
	2023	425	13	13	451	0	0	0	451

1 Mr Stamp was the Group's CFO until 11 June 2024 and the 2024 base salary, benefits and pension amounts shown above reflects the period served as a Director in 2024. The terms of all payments made to Mr Stamp in connection with his loss of office are shown in section 4.

2 Benefits comprise the gross of tax value of car allowance and private medical insurance. Benefits for Mr Garat also include the reimbursement of the cost of preparation of Mr Garat's UK and Spanish tax returns

3 Full disclosure of the annual bonus amounts and delivery mechanism are set out in section 2(a) Annual bonus below.

4 The 2024 Vested LTIPs values reflect the performance vesting of 2022 LTIP awards made to Mr Garat and Mr Stamp, the performance conditions for which were measured to the end of 2024. These performance conditions were met as to 9.96% and the values reflect the numbers of shares subject to awards that vested (47,638 for Mr Garat and 18,401 for Mr Stamp) multiplied by 77.56p per share (being the three-month average share price to 31.12.2024). The Vested LTIPs values shown for 2024 do not include any element in respect of share price growth (share price at the date of award (21.03.22) was 223.6p).

(a) Annual bonus

For the 2024 annual bonus the following metrics applied, with weightings indicated in brackets:

- Financial, Group Profit before Tax (50%)
- Financial, Group Covenant Gearing (25%)
- Group Safety, Fatalities Weighed Injuries (FWI) index score (15%)
- Personal objectives, strategic and risk (10%)

A zero preventable fatality underpin also applied to the full 15% safety element and a minimum level of Group Profit Before Tax underpinned the whole bonus. The scales for each metric allowed 10% of each element to vest at threshold performance and 50% of each element to vest at on-target performance.

50% of any bonus earned is subject to mandatory deferral into shares for one year from award as per the Remuneration Policy.

(i) 2024 bonus out-turn

The formulaic out-turn of Executive Directors' bonuses was 0% of maximum for the CEO. This same percentage was applied to the bonus outcome for the former CFO. The nil outcome resulted from a Group PBT underpin not being achieved.

(ii) 2024 bonus performance conditions

The following table sets out performance conditions that were attached to Executive Directors' 2024 bonus and the associated outcomes. Bonus achieved is nil for all metrics as the PBT underpin was not achieved.

Category	Measure	Threshold	Target	Max	Weighting	Outcome achieved	Bonus Achieved
Financial[1]	Group profit before tax (£m)	106.4	118.3	130.1	50%	101.1	0%
	Covenant gearing (multiple)	2.8x	2.7x	2.6x	25%	2.8x	0%
Safety	FWI	Zero Responsible Fatality	0.0047	0.0026	15%	0.0031	0%[2]
Personal (CEO)					10%	n/a	0%[3]
Personal (former CFO)					10%	n/a	0%[3]
		CEO formulaic 2024 bonus outcome (% of maximum)				0%	
		CFO formulaic 2024 bonus outcome (% of maximum)				0%	

1 Consistent with previous years and associated disclosures, the Group Adjusted Profit Before Tax targets are adjusted to align the method of calculation to the basis on which the performance out-turn is calculated. The original Group Adjusted Profit Before Tax target was set at £123.9m. After adjustment to reflect foreign exchange movements and variances in acquisition investment (compared to budgeted levels), the revised target was £118.3m, with the threshold and maximum amounts adjusted accordingly

2 Although the FWI target was achieved, there was one preventable fatality meaning the safety underpin resulted in zero bonus under this element

3 There was no payout against personal objectives for 2024; accordingly the details of the personal objectives set for 2024 are not disclosed as these remain commercially sensitive

Taking in to account the performance of the Company, the Remuneration Committee determined that the formulaic outcomes for 2024 should be applied without further adjustment.

(b) Long-Term Incentive Plan (LTIP) vesting and awards
(i) LTIP awards vesting in 2025

The three-year LTIP awards granted to Executive Directors in 2022 are due to vest in March 2025 (as the measurement period relating to them ended on 31 December 2024). The formulaic out-turn was 9.96% of maximum.

Details of the performance conditions attaching to the 2022 LTIP awards, which were granted as nil cost options, and the extent to which they have been met, are set out in the table below:

Performance condition	Weighting	Threshold (25% vesting for TSR and EPS, 0% for ROCE)	Target	Maximum (100% vesting)	Actual	Percentage vesting
TSR[1] versus FTSE 250 Index	25%	Median	–	Upper Quintile	Below Median	0%
EPS[2, 3]	25%	21.7p	24.9p	26.5p	4.8p	0%
ROCE[2, 4]	25%	9%	10.5%	12%	10.2%	0%
tCO_2e/million passenger km	12.5%	8.4% reduction in tCO_2e/ million passenger km by 2024 relative to 2019 base year	9% reduction in tCO_2e/ million passenger km by 2024 relative to 2019 base year	9.6% reduction in tCO_2e/ million passenger km by 2024 relative to 2019 base year	Below threshold	0%
Fleet transition[5]	12.5%	400 additional zero emission vehicles in service or on order by 31 December 2024	500 additional zero emission vehicles in service or on order by 31 December 2024	800 additional zero emission vehicles in service or on order by 31 December 2024	678	9.96%
Total vesting						9.96%

1 For TSR performance measures, straight-line vesting occurs between threshold and maximum performance

2 For EPS and ROCE performance measures, straight-line vesting occurs between threshold and target performance, and between target and maximum performance

3 Actual EPS is the fully diluted adjusted earnings per share in the last year of the performance period

4 Actual ROCE is the average return on capital employed in the last year of the performance period. Negative discretion was applied, resulting in nil vesting on this metric

5 Due to a freeze on ZEV orders in H2 2024 and a Board mandated suspension of ZEV orders scheduled for that period, it was judged appropriate to adjust the originally set Fleet Transition targets to reflect the potential for progress over a reduced period only to the end of H1 2024. The originally set targets required 600 additional ZEVs in service or on order at target and 1,000 additional ZEVs in service or on order at maximum and the revised targets shown above maintained the integrity and stretch of the original target over a reduced period for attainment. The achieved outcome of 678 additional vehicles (out of a total 1,100 ZEVs in service or on order at 31 December 2024) reflects good progress by the management team while able to take actions in the period towards this important long-term environmental goal.

Annual Report on Remuneration continued

(ii) LTIP awards granted in 2024

Details of LTIP awards granted to Executive Directors in 2024 are set out in the table below:

Executive Director	Grant date	Number of shares awarded[1]	Award type	Award amount	Face value of award £'000[2]	Performance period	Performance conditions
Ignacio Garat	20/06/2024	1,781,170	Nil cost option	140% of base salary	840	01/01/2024–31/12/2026	See below

1 The number of shares subject to the LTIP awards was determined by dividing the award amount, being the relevant multiple of the Executive Directors' base salaries, by the Company's MMQ share price on the last business day preceding the date of grant, being 47.16p on 19 July 2024. Award sizes were then scaled back by the Committee by 30% reflecting the significant share price fall from the grant of the 2023 awards

2 The face value of the LTIP awards is the number of (adjusted) Company shares over which awards were made multiplied by the Company's MMQ share price on the last business day preceding the date of grant, being 47.16p on 19 July 2024

(iii) Performance conditions attaching to 2024 LTIP awards

Performance condition	Weighting	Threshold (25% vesting for TSR and EPS, 0% for others)	Target (50% vesting)	Maximum (100% vesting)
TSR[1] versus FTSE 250 Index	25%	Median	–	Upper quintile
EPS[2]	25%	17.3p	19.2p	21.1p
ROCE[2]	25%	10%	11%	12%
tCO_2e/million passenger km[2]	25%	12.5% reduction in tCO_2e/ million passenger km by 2026 relative to 2022 base year	15% reduction in tCO_2e/ million passenger km by 2026 relative to 2022 base year	17.5% reduction in tCO_2e/ million passenger km by 2026 relative to 2022 base year

1 For TSR performance measures, straight-line vesting occurs between threshold and maximum performance

2 For EPS, ROCE and ESG performance measures, straight-line vesting occurs between threshold and target performance, and between target and maximum performance

Vested shares will be subject to a two-year holding period and malus and clawback will apply for two years from the date of vesting, including post termination of employment. Dividend equivalents are payable on vested shares over the vesting period.

3. Single total figure of remuneration for Non-Executive Directors (Audited Information)

The table below sets out the single total figure of remuneration (fees) for the Non-Executive Directors who served during the financial year ended 31 December 2024 (with comparative figures provided for 2023):

Non-Executive Director	2024 fees £'000	2023 fees £'000
Helen Weir (Chair)	**259**	259
Jorge Cosmen (Deputy Chair and Nominations Committee Chair)	**68**	68
Mike McKeon (Audit Committee Chair until 11 June 2024)[1]	**30**	68
Ana de Pro Gonzalo (Independent Non-Executive Director)	**56**	56
Carolyn Flowers (Independent Non-Executive Director)[2]	**74**	73
Karen Geary (Remuneration Committee Chair until 1 August 2024 and Senior Independent Director)	**74**	73
Nigel Pocklington (Remuneration Committee Chair from 1 August 2024)[3]	**61**	23
Enrique Dupuy de Lome Chávarri (Audit Committee Chair from 11 June 2024)[4]	**63**	9

1 Mike McKeon stepped down as a Director on 11 June 2024, at the conclusion of the 2024 AGM.

2 A travel allowance is also paid to Carolyn Flowers for each Board meeting or other Board-related matter she attends outside the North American continent, in an amount per such meeting or matter of £1,000. For 2024, Ms Flowers received £6,000 in respect of this allowance in addition to her base fee, included in the figure above.

3 Nigel Pocklington joined the Board on 1 August 2023, so his 2023 fee reflects the pro-rated proportion of his annual fee for the year.

4 Enrique Dupuy de Lome Chávarri joined the Board on 1 November 2023, so his 2023 fee reflects the pro-rated proportion of his annual fee for the year.

4. Payments to past Directors and payments for loss of office (Audited Information)

James Stamp stepped down as a Director of the Company from the conclusion of the Company's 2024 Annual General Meeting on 11 June 2024. The following summarises the terms of all payments made to Mr Stamp in connection with his loss of office. All payments are made in accordance with his service agreement and the Directors' Remuneration Policy and after applicable tax and social security deductions:

1. Mr Stamp was on garden leave and therefore paid his monthly salary and any other contractual benefits to 31 December 2024.
2. Mr Stamp was then paid monthly instalments in respect of fixed pay for the remainder of the unexpired portion of his notice period. Continued payment of those instalments will be subject to the requirement to take reasonable steps to mitigate with the maximum amount of £187,196.83 to be paid.
3. Mr Stamp was treated as a good leaver for the purposes of his awards granted under the Company's Long-Term Incentive Plan and therefore, he had unvested awards over a maximum of: (i) 184,783 shares in respect of his 2022 LTIP award and 11,439 shares in respect of his associated CSOP award due to vest on 21 March 2025 and (ii) 221,543 shares in respect of his 2023 LTIP award due to vest on 27 March 2026. Vesting will be determined in accordance with the performance conditions relating to the LTIP awards in question and pro-rated for time. As noted above, the 2022 LTIP award vested as to 9.96% and the value of the vested 2022 LTIP awards is disclosed in the single figure table on page 125.
4. Mr Stamp was entitled to receive a pro-rated bonus for the period for which he worked in 2024, the amount of which was determined by the Company's Remuneration Committee in accordance with the Annual Bonus Plan Rules and the Directors' Remuneration Policy. The amount of bonus payable to Mr Stamp was £nil as disclosed in the single figure table on page 125.

5. Statement of Directors' shareholdings and share interests (Audited Information)

(a) Executive Directors' interests in shares

Details of the Executive Directors' and their connected persons' beneficial interests in the Company's shares, and of the Executive Directors' other interests in shares, as at 31 December 2024 are shown in the table below:

	Shares held directly			Other share interests		
Executive Director	Shareholding target (% salary)	Shareholding value (% salary)[1]	Beneficially owned	Forfeitable shares held under the EDBP not subject to performance conditions	Outstanding LTIP share option awards subject to performance conditions	Vested but unexercised LTIP share option awards
Ignacio Garat	200%[2]	36.3%	274,659	0	2,974,433	n/a

1 The Company's closing share price of 79.3p as at 31 December 2024 has been used for the purposes of this calculation and has been applied to the beneficially owned shares in arriving at the shareholding value as at 31 December 2024

2 Mr Garat's current shareholding requirement applies to the five-year period commencing on his date of appointment and therefore Mr Garat has until 12 May 2026 to reach his shareholding requirement

The following table provides more information about current Executive Directors' interests in shares under outstanding LTIP awards.

Share interests

The table below sets out the share awards granted to Executive Directors under the rules of the Company's 2015 LTIP which either vested or lapsed during 2024 or remain outstanding as at 31 December 2024:

	During 2024							
LTIP award year/type	Date of grant	Awards held at 01/01/2024	Granted	Exercised/ Eligible for exercise	Lapsed	Awards held at 31/12/2024	Vesting date	Latest exercise date[1]
Ignacio Garat								
LTIP 3–year	22/03/2021	366,943	–	–	366,943	–	22/03/2024	–
LTIP 3–year (Approved CSOP)[2]	22/03/2021	9,572[3]	–	–	9,572[3]	–	22/03/2024	–
LTIP 3–year	21/03/2022	478,369	–	–	–	478,369	21/03/2025	21/03/2027
LTIP 3–year	27/03/2023	714,894	–		–	714,894	27/03/2026	27/03/2028
LTIP 3–year	20/06/2024	–	1,781,170		–	1,781,170	20/06/2027	20/06/2029
LTIP 3–year (Approved CSOP)[3]	20/06/2024	–	127,226[3]	–	–	127,226[3]	20/06/2027	20/06/2029
		1,560,206	1,781,170	–	366,943	2,974,433		
James Stamp								
LTIP 3–year	12/03/2020	14,278[4]	–	14,278[4]	–	14,278[4]	12/03/2023	12/03/2025
LTIP 3–year	22/03/2021	154,627	–	–	154,627	–	22/03/2024	–
LTIP 3–year	21/03/2022	201,581	–	–	16,798	184,783	21/03/2025	21/03/2027
LTIP 3–year (Approved CSOP)[2]	21/03/2022	12,479[3]		–	1,040[3]	11,439[3]	21/03/2025	21/03/2027
LTIP 3–year	27/03/2023	379,787	–	–	158,244	221,543	27/03/2026	27/03/2028
		750,273	–	14,278	329,669	420,604		

1 Awards vesting under the 2015 LTIP are subject to a two-year exercise period and holding period which run concurrently, save for Mr Stamp's LTIP awards between 2018 and 2022, which are not subject to any holding period as these were granted prior to him being appointed as an Executive Director. Latest exercise dates are shown only for those LTIP awards which have either yet to vest, or which have vested and are yet to be exercised

2 All LTIP awards are granted in the form of nil-cost options, save for LTIP approved CSOP awards which are granted as market value share options with an exercise price per share equal to the share price at grant. LTIP approved CSOP awards comply with the requirements of Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 and can be exercised by way of effective set-off against any shares vesting under the corresponding LTIP award

3 Due to the effective set-off arrangements explained in the note above, the number of shares subject to LTIP approved CSOP awards are not counted in the total number of awards held as this would result in a double-count

4 Mr Stamp's 2020 LTIP vested on 12 March 2023 and the latest exercise date is 12 March 2025 as per the approved rules. The table reflects the position as at 31 December 2024, but Mr Stamp exercised his option on 6 February 2025 prior to them lapsing

5 Mr Stamp stepped down as a Director on 11 June 2024. He was treated as a good leaver for the purpose of his awards granted under the Company's Long-Term Incentive Plan and therefore awards were pro-rated, as set out in the table above

(b) Non-Executive Directors' interests in shares

The details of the Non-Executive Directors' and their connected persons' interests in shares, for current Non-Executive Directors as at 31 December 2024 (or if earlier, the date they ceased to be a Director of the Company), all of which are held beneficially, are shown in the table below:

Non-Executive Director	Beneficially owned
Helen Weir	126,000
Jorge Cosmen[1]	47,826
Enrique Dupuy de Lome Chávarri	–
Carolyn Flowers	10,000
Karen Geary	14,347
Mike McKeon	60,869
Nigel Pocklington	40,000
Ana de Pro Gonzalo	4,347

1 Neither Jorge Cosmen nor his connected persons are now sufficiently closely connected with any of the Cosmen family companies that hold shares in the Company (including European Express Enterprises Ltd which is a major shareholder in the Company) for such family companies' shareholdings to be considered his or his connected persons' interests in Company shares

(c) Other information

The Register of Directors' interests maintained by the Company contains full details of the Directors' holdings in shares and options over shares in the Company.

The closing price of a Company ordinary share at 31 December 2024 was 79.3p (2023: 84.6p) and the range during the year ended 31 December 2024 was highest 92.4p to lowest 46.1p per share.

(d) Changes since year end

There have been no changes in current Directors' shareholdings between 31 December 2024 and the date of this report.

6. Comparison of overall performance

The graph below shows a comparison of the Company's cumulative total shareholder return (i.e. share price growth plus dividends paid) and annual return against the FTSE 250 Index over the last 10 years. The FTSE 250 Index has been selected as the Company is a constituent of that Index.

Shareholder returns – 10 year history

7. Context of Director pay

The following table sets out the actual percentage changes between 2019 and 2024 for certain elements of the remuneration for the persons who served as Directors during 2024, compared with the average percentage change in those same elements of remuneration for the Company's employees. It also sets out, by way of voluntary disclosure, a comparison with the Group's whole UK employee population as this provides a more meaningful comparison in view of the fact that the Company itself only employs a small proportion of the Group's employees.

The elements of each Executive Director's remuneration included in the table below comprise base salary, benefits and annual bonus calculated in the same way as in the single total figure of remuneration table on page 125. The Chair and Non-Executive Directors' fees included in the table below are calculated in the same way as in the single total figure of remuneration table on page 120.

	Actual/Average percentage increase/ (decrease) from 2019 to 2020			Actual/Average percentage increase/ (decrease) from 2020 to 2021		
	Base/salary fees	Benefits	Performance related bonus	Base/salary fees	Benefits	Performance related bonus
Ignacio Garat (current CEO)	n/a	n/a	n/a	499.0%[1]	200.6%[1]	100.0%[2]
James Stamp (former CFO)	n/a	n/a	n/a	n/a	n/a	n/a
Ana de Pro Gonzalo	315.4%[6]	n/a	n/a	(5.9)%[3]	n/a	n/a
Carolyn Flowers	n/a	n/a	n/a	n/a	n/a	n/a
Enrique Dupuy de Lome Chávarri	n/a	n/a	n/a	n/a	n/a	n/a
Helen Weir	n/a	n/a	n/a	n/a	n/a	n/a
Jorge Cosmen	0.0%	n/a	n/a	25.9%[3, 4]	n/a	n/a
Karen Geary	315.4%[6]	n/a	n/a	(5.9)%[3, 5]	n/a	n/a
Mike McKeon	1.5%	n/a	n/a	3.0%[3]	n/a	n/a
Nigel Pocklington	n/a	n/a	n/a	n/a	n/a	n/a
Company employees	5.7%	(0.09)%	(100)%	4.4%	(8.2%)[9]	100%[2]
Company Group UK employees	1.7%[11]	(0.09)%	(100)%	2.3%	(17.0%)[9]	100%[2]

	Actual/Average percentage increase/ (decrease) from 2021 to 2022			Actual/Average percentage increase/ (decrease) from 2022 to 2023		
	Base/salary fees	Benefits	Performance related bonus	Base/salary fees	Benefits	Performance related bonus
Ignacio Garat (current CEO)	0%	-35.4%	45.1%	0%	-23.6%	-100%
James Stamp (former CFO)	n/a	n/a	n/a	498.6%[10]	566.0%[10]	-100%
Ana de Pro Gonzalo	0%	n/a	n/a	0%	n/a	n/a
Carolyn Flowers	99.0%[7]	n/a	n/a	4.3%	n/a	n/a
Enrique Dupuy de Lome Chávarri	n/a	n/a	n/a	n/a	n/a	n/a
Helen Weir	n/a	n/a	n/a	0%	n/a	n/a
Jorge Cosmen	0%	n/a	n/a	0%	n/a	n/a
Karen Geary	17.5%[8]	n/a	n/a	7.4%	n/a	n/a
Mike McKeon	0%	n/a	n/a	0%	n/a	n/a
Nigel Pocklington	n/a	n/a	n/a	n/a	n/a	n/a
Company employees	7.2%	-1.2%	-12.1%	11.0%	5.2%	-100%
Company Group UK employees	8.5%	4.6%	-10.1%	8.3%	4.6%	-100%

	Actual/Average percentage increase/(decrease) from 2023 to 2024		
	Base/salary fees	**Benefits**	**Performance related bonus**
Ignacio Garat (current CEO)	**4.3%**	**7.5%**	**0%**
James Stamp (former CFO)	**(55.9%)**[12]	**(91.7%)**	**0%**
Ana de Pro Gonzalo	**0%**	**n/a**	**n/a**
Carolyn Flowers	**1.4%**	**n/a**	**n/a**
Enrique Dupuy de Lome Chávarri	**596.3%**[13]	**n/a**	**n/a**
Helen Weir	**0%**	**n/a**	**n/a**
Jorge Cosmen	**0%**	**n/a**	**n/a**
Karen Geary	**1.4%**	**n/a**	**n/a**
Mike McKeon	**(55.3%)**[14]	**n/a**	**n/a**
Nigel Pocklington	**165.2%**[15]	**n/a**	**n/a**
Company employees	**6.5%**	**3.3%**	**0%**
Company Group UK employees	**10.4%**	**6.5%**	**0%**

1 Mr Garat joined in November 2020 and the increase from 2020 to 2021 reflects this joining date. No increase in base salary was given for 2021
2 No bonuses were awarded for 2020
3 The year-on-year increase reflects salary sacrifices made in April and May 2020 in light of the pandemic
4 Received an additional Chair fee from 2021
5 Appointed Chair of the Remuneration Committee on 3 December 2021
6 Reflect dates of joining in 2019 and only serving three months in that year
7 Reflects the fact Carolyn Flowers joined the Board on 1 June 2021. 2022 fee reflects appointment as Sustainability Committee Chair in May 2022
8 Reflects appointment as Remuneration Committee Chair in December 2021, so 2021 fee includes only one month as Committee Chair
9 Driven by the net cost to the Company of providing certain benefits decreasing and others increasing, and the impact of job role changes/promotions
10 Reflects 2022 being a comparator year where James Stamp was on the Board for a pro-rated part of the year
11 Helen Weir's increase from 2022 to 2023 is shown as nil as the fees earned in 2022 reflected time spent as Chair Designate. She became Chair on 1 January 2023
12 Reflects James Stamp stepping down as CFO on 11 June 2024
13 Reflects Enrique Dupuy de Lome Chávarri joining the Board on 1 November 2023
14 Reflects Mike McKeon stepping down from the Board on 11 June 2024
15 Reflects Nigel Pocklington joining the Board on 1 August 2023

8. History of CEO pay

The table below sets out the total remuneration paid to the Chief Executive Officer over the last 10 years, valued using the methodology applied to the single total figure of remuneration:

Year	2015	2016	2017	2018	2019	2020[1]	2020[2]	2021	2022	2023	2024
Chief Executive Officer	D Finch	D Finch	D Finch	D Finch	D Finch	D Finch	I Garat	I Garat	I Garat	I Garat	**I Garat**
Single figure total remuneration (£'000)	3,661	3,887	4,225	4,318	3,048	531	137	1,050	1,218	616	**681**
Annual bonus payment (as % of maximum opportunity)	96%	83.5%	95%	90%	100%	0%	n/a[3]	47.5%	69.0%	0%	**0%**
LTIP vesting level achieved (as % of maximum opportunity)	73.4%	80.8%	86.9%	96%	91.53%	0%	n/a[3]	n/a[4]	n/a[4]	0%	**9.96%**

1 Mr Finch served as Chief Executive Officer from 1 January 2020 to 31 August 2020
2 Mr Garat served as Chief Executive Officer from 1 November 2020 to 31 December 2020
3 In 2020, Mr Garat was not entitled to any bonus award or LTIP award subject to performance conditions whose final year of performance ended during that year
4 In 2021 and 2022, Mr Garat was not entitled to any LTIP award subject to performance conditions whose final year of performance ended during those years

9. CEO pay ratios

The Committee reviewed the Company's CEO pay ratios and the Group's employee pay policies and practices when formulating the Directors' Remuneration Policy, and is satisfied that the structure and quantum of remuneration for the Executive Directors is appropriate in view of their relative roles and responsibilities.

The following table sets out ratios which compare the CEO's total remuneration in the Company's financial year ended 31 December 2024 to that of the Group's UK employees whose full time equivalent remuneration ranks them at the lower quartile, median and upper quartile of pay for all of the Group's UK employees (together with that data for the Company's previous four financial years). The ratios for 2024 are similar to 2023 due to there being no CEO bonus in both 2023 and 2024.

Year	Methodology	25th percentile (lower quartile) pay ratio	50th percentile (median) pay ratio	75th percentile (upper quartile) pay ratio
2024	**Option A**	**20:1**	**17:1**	**14.1**
2023	Option A	20:1	17:1	14:1
2022	Option A	46:1	39:1	31:1
2021	Option A	43:1	37:1	31:1
2020	Option A	31:1	26:1	23:1

Option A was used to calculate the pay ratios as it is the most statistically accurate method and the relevant pay data was available to the Company in time for the preparation of this report. The UK employees at the lower quartile, median and upper quartiles were identified as at 31 December 2024 and their full-time equivalent total remuneration was calculated in respect of the 12 months ended 31 December 2024 on the basis explained further below.

The CEO's remuneration for 2024 was calculated as per the single total figure, shown on page 125.

The total remuneration of the UK employees (including those at the lower quartile, median and upper quartiles) has been calculated using the same methodology as for the CEO's single total figure of remuneration, noting that:

- a large number of the Group's UK employees, such as bus and coach drivers and customer service centre staff, work full time but are paid by the hour (rather than having an annual fixed base salary). Their wages have been calculated as the actual number of hours worked in the year multiplied by the relevant hourly rates of pay applicable during the year; and
- a number of the Group's UK employees work part time. Those who are paid on a salaried basis have had their salaries and benefits grossed up to the full-time equivalent salary for their role.

Although similar to the approach used for 2023, for further details on the calculation methodology for previous years please refer to the Annual Report for that year. Note for 2020 and 2021, where the Group's UK employees were placed on furlough during any part of 2020 or 2021, the amounts actually paid to them have been included, including amounts subsequently reimbursed to the Company and its UK subsidiaries by the UK government under the Coronavirus Job Retention Scheme and topped-up amounts funded by the Company's Group.

The table below shows the CEO's total remuneration and the salary component of that total remuneration and that of each of the UK employees at the lower, median and upper quartiles of the Group's UK employee population for 2024:

Year	Pay data	Group Chief Executive	25th (lower quartile) percentile	50th (median) percentile	75th (upper quartile) percentile
2024	**Salary**	**£600,000**	**£32,295**	**£37,873**	**£44,674**
2024	**Total pay**	**£680,744**	**£34,151**	**£39,939**	**£47,803**

The Committee considers that the median pay ratio is consistent with the Company's pay, reward and progression policies. This is because, when setting CEO pay, the Committee has regard to the same core considerations as those taken into account by the UK management team when setting UK employee pay, including the Company's policy to pay market rates of pay that reward employees fairly for work done and that have due regard to individual performance and Company performance where the individual has the ability to influence wider Company performance. The CEO has ultimate responsibility for, and the greatest ability to influence, the Company's performance and returns to shareholders and, to reflect this, a much higher proportion of the CEO's remuneration is comprised of performance-related pay (in the form of an annual bonus and LTIP award vesting) compared with the majority of UK employees. This means that the pay ratios will fluctuate depending on the outcomes of incentive plans each year.

10. Relative importance of spend on pay

The table below sets out the total spend on pay in 2024 and distributions in 2024 compared with such values in 2023 for further comparison:

Measure	2024 £m	2023 £m	% change from 2023 to 2024
Overall Group spend on pay including Directors	1,733.5	1,585.1	9.4%[1]
Profit distributed by way of dividend	0.0	10.5	-100%

1 Overall Group spend on pay was calculated by aggregating the Group's costs of salaries and wages, social security costs, pension costs and share-based payments for all the Group's employees whether employed in the UK or overseas in the relevant year.

11. Historical results of shareholder voting on remuneration matters

The votes cast on the resolution seeking approval of the Annual Report on Remuneration at the 2024 AGM were as follows:

Resolution	Votes For	Votes Against	Number of votes withheld
To approve the Annual Report on Remuneration for the year ended 31 December 2023 (advisory vote only)	414,369,767	3,495,888	296,666
	99.16%	0.84%	

The votes cast on the resolution seeking approval of the current Policy at the 2024 AGM were as follows:

Resolution	Votes For	Votes Against	Number of votes withheld
To approve the Directors' Remuneration Policy (binding vote)	413,472,293	4,677,681	259,696
	98.88%	1.12%	

1 A vote withheld is not a vote at law and is not counted in the calculation of votes For or Against a resolution.

12. Retained advisers to the Committee

During the year both Korn Ferry and FIT Remuneration Consultants LLP ("FIT") acted as external remuneration advisers to the Remuneration Committee. Neither has any other connection to the Group or its directors.

Both Korn Ferry and FIT did not provide any services other than in relation to advising the Remuneration Committee during the year – the Committee is satisfied that no conflict of interest can arise as a result of these services. Both Korn Ferry and FIT have voluntarily signed up to the Remuneration Consultants Group Code of Conduct. In view of these factors, the Committee is satisfied that the advice it received from Korn Ferry and from FIT in 2024 is objective and independent. For the year under review, Korn Ferry received fees of £31,397, which were charged on a time cost basis and FIT received fees of £94,328, which were charged on a time cost basis

13. Dilution

The Company has permitted share dilution authority reserved to it under the rules of its 2015 Long-Term Incentive Plan (LTIP), as previously approved by shareholders and in line with the Investment Association's guidelines. The Company's normal course 10-year authority to operate its LTIP is being renewed at the 2025 AGM and the dilution limits within the LTIP will be updated to reflect the Investment Association's 2024 guidelines.

Predominantly the Company's funding strategy has been to satisfy all outstanding share incentive awards granted under the LTIP (and its other incentive plans) through the delivery of market purchased shares via the Company's Employee Benefit Trust, as opposed to by the issue and allotment of new shares. Accordingly, the Company has to date made only limited use of its permitted share dilution authority under the LTIP.

On behalf of the Board

Nigel Pocklington
Remuneration Committee Chair

28 April 2025

Directors' report

The information set out on pages 128 to 131 (inclusive), together with the information referred to below which is incorporated by reference, comprises the Directors' Report for the Company's financial year ended 31 December 2024.

The Company has chosen, in accordance with Section 414(C)(11) of the Companies Act 2006 (as amended), to set out certain information required to be included in this Directors' Report in the Strategic Report. The Company has also set out certain other information required to be included in this Directors' Report in the Corporate Governance Report and the Consolidated Financial Statements. The location of such information is shown in the table below:

Information	Annual Report section	Annual Report page no(s)
Business model and future business developments	Strategic Report	Pages 02 to 80
Principal risks and uncertainties	Strategic Report	Pages 02 to 80
Fostering relationships with suppliers, customers and others	Strategic Report	Pages 02 and 80
	Corporate Governance Report	Pages 81 to 132
Engagement with and other matters relating to employees	Strategic Report	Pages 02 to 80
	Corporate Governance Report	Pages 81 to 132
Financial instruments	Consolidated Financial Statements	Pages 145 to 150
Governance matters, including Corporate Governance Statement and a description of the composition and operation of the Company's administrative, management and supervisory bodies and their committees	Corporate Governance Report	Pages 81 to 132
Description of diversity policies, objectives, implementation, and results	Nominations Committee Report	Pages 106 and 108
Internal control and risk management arrangements for financial reporting	Audit Committee Report	Pages 98 to 105
Streamlined Energy and Carbon Reporting (SECR)	Additional Information	Page 246

This Directors' Report and the Strategic Report together form the Management Report for the purposes of Rule 4.1.8 of the Disclosure Guidance and Transparency Rules.

The relevant information required to be disclosed under Rule 6.6.1 of the UK Listing Rules is as follows:

Listing Rule	Nature of information	Section and page(s) of Annual Report
UKLR 6.6.1(11)	Dividend waivers by shareholders	Directors' Report, page 129

Company status and branches

Mobico Group PLC ('Mobico' or the 'Company') is the holding company of the Mobico group of companies (the 'Group').

The Company is a public limited company incorporated under the laws of England and Wales. It is listed in the Equity Shares in Commercial Companies (ESCC) category of the FCA's Official List (LON:MCG), and is a constituent member of the FTSE 250 Index.

One of the Company's Spanish subsidiaries, NEX Continental Holdings, S.L.U., has a branch in Portugal, NEX Continental Holdings S.L, Sucursal Em Portugal. Other than that branch, neither the Company nor any member of its Group has any branches.

Results and dividends

The Company's and the Group's results for the year ended 31 December 2024 are set out, respectively, in the Company Financial Statements and the Consolidated Financial Statements on pages 145 to 242.

Important events since the end of the financial year

There have been no important events that have affected the Company or the Group since 31 December 2024, save for those disclosed in note 39 to the Consolidated Financial Statements.

Dividends

As the Group remains focussed on deleveraging, the Board has determined not to recommend a final dividend in respect of its financial year ended 31 December 2024 (2023: 0.0p). As the Board also did not pay an interim dividend in respect of its final year ended 31 December 2024 (2023: 1.7p) the total dividend for the 2024 year is 0.0 pence per share (2023: 1.7p).

Share capital

The Company has a single class of shares in issue in its capital comprising ordinary shares of nominal value 5 pence each, all ranking pari passu. As at 31 December 2024, there were 614,086,377 ordinary shares in issue and fully paid. The rights attached to the ordinary shares of the Company are defined in the Company's Articles of Association (the 'Articles'). Further details about the Company's share capital can be found in note 31 to the Consolidated Financial Statements.

Share rights, obligations and restrictions on transfer of shares

Shareholders are entitled to participate in dividends paid or declared by the Company and any return of capital made by the Company in proportion to their holdings of ordinary shares in the Company. Shareholders are also entitled to attend and vote at all general meetings of the Company. Every shareholder has one vote on a show of hands and one vote for each ordinary share held on a poll on each resolution put before a general meeting. Electronic and paper proxy appointments, and voting instructions, must be received by the Company's registrar not less than 48 hours before a general meeting.

Shareholders are subject to the obligations set out in the Articles, including the principal obligation to pay up any unpaid amount on their ordinary shares.

There are no limitations on the holding of the Company's shares. There are also no restrictions on the transfer of the Company's shares other than: (i) the typical restrictions set out in the Articles (for example, in respect of non-fully paid shares). For further detail see the Articles which are available for download here: https://www.mobicogroup.com/about-us/corporate-governance/governance-framework/); (ii) restrictions imposed by law (such as insider trading laws); and (iii) restrictions imposed on the Directors and certain other employees of the Company and members of its Group pursuant to the Company's share dealing code.

The Company is not aware of any agreements between existing shareholders that may result in restrictions on the voting rights attaching to, or the transfer of, the Company's ordinary shares.

Special control rights over shares

There are no special control rights attaching to the Company's shares, save that the Company can direct the Company's Employee Benefit Trust to release the shares that it holds in the Company to satisfy the vesting of outstanding awards under the Company's various share incentive plans (see Employee Benefit Trust).

Authority to issue shares

The Directors were granted the authority at the Company's 2024 Annual General Meeting to allot new shares in the Company subject to the limits set out in the notice to that AGM (which is available to download here: https://www.mobicogroup.com/investors/shareholder-centre/agm/2024/). No new shares were issued by Directors under the authorities granted to them at the Company's 2024 Annual General Meeting during the period up to 28 April 2025[1]. Such authorities remain valid until the Company's 2025 Annual General Meeting or 30 June 2025, whichever is earlier. The Directors propose to renew the Directors' authorities to issue and allot new shares and to disapply pre-emption rights on such issue and allotment at the Company's 2025 Annual General Meeting to give the Company flexibility to respond to circumstances and opportunities as they arise.

Authority to purchase own shares

The Company was granted authority at its 2024 Annual General Meeting to make market purchases of up to 61,408,637 of its own shares, representing approximately 10% of its issued share capital. No shares were purchased under this authority during the period up to 28 April 2025[1]. Such authority remains valid until the Company's 2025 Annual General Meeting or 30 June 2025, whichever is earlier. The Directors propose to renew this authority at the 2025 Annual General Meeting to give the Company the ability to return value to shareholders in this way in appropriate circumstances.

1 being the date this Directors' Report was approved

Employee Benefit Trust

IQ EQ Corporate Services (Jersey) Ltd is a shareholder in the Company and acts as the trustee (the 'Trustee') of the National Express Group Employee Benefit Trust (the 'EBT'). It is used to purchase Company shares in the market from time to time and hold them for the benefit of employees, including for satisfying awards that vest under the Company's various share incentive plans. The EBT also holds Company shares in particular ringfenced accounts for specific employees who have had options over such shares vest to them under the Company's share incentive plans but have not yet exercised those options.

The EBT purchased a total of 3,411,379 shares in the market during the year ended 31 December 2024 for an aggregate consideration of £2,222,924.16 (including dealing costs) and released 493,279 shares to satisfy vested share plan awards. As at 31 December 2024, the EBT held 3,742,873 Company shares in trust (representing 0.61% of the Company's issued share capital). The Trustee may vote the shares it holds in the Company at its discretion, but where it holds any shares in a ringfenced account for particular employees it will seek their instructions on how it exercises the votes attached to those shares. A dividend waiver is in place from the Trustee in respect of dividends payable by the Company on the shares in the Company held in the EBT, except the shares it holds in ringfenced accounts for particular employees where it receives the dividends on such shares and passes them through to such employees subject to any terms applicable to those shareholdings.

Major shareholdings

As at 31 December 2024, the Company had been notified under DTR 5 of the following interests in its shares representing 3% or more of the voting rights in its issued share capital.

Shareholder	Number of ordinary shares	Percentage of total voting rights[1]
European Express Enterprises Limited	129,448,552	21.08%
M&G PLC	30,663,661	4.99%
Liontrust Investment Partners PLC	30,497,148	4.97%
Newton Investment Management Limited	29,583,062	4.82%
J O Hambro Capital Management Limited	25,165,433	4.10%
Azvalor Asset Management SGIIC SA	18,463,215	3.01%
Northern Express Enterprises Limited	18,430,795	3.00%

1 The total number of voting rights attaching to the issued share capital of the Company on 31 December 2024 was 614,086,377.

It should be noted that these holdings may have changed since the Company was notified of them as notification of any change is not required until the next notifiable threshold (up or down) is crossed.

The Company received no further notifications in accordance with DTR 5, by way of change to the above information or otherwise, between 31 December 2024 and 28 April 2025, being the period from the end of the Company's last financial year to the date on which this Directors' Report was approved.

Directors

The names of the persons who were Directors of the Company at any time during the Company's financial year ended 31 December 2024, together with the periods during which they served as Directors, are:

Director	Period served during 2024
Helen Weir	01/01/2024 – 31/12/2024
Jorge Cosmen	01/01/2024 – 31/12/2024
Ignacio Garat	01/01/2024 – 31/12/2024
James Stamp	01/01/2024 – 11/06/2024
Enrique Dupuy de Lome Chávarri	01/01/2024 – 31/12/2024
Carolyn Flowers	01/01/2024 – 31/12/2024
Karen Geary	01/01/2024 – 31/12/2024
Mike McKeon	01/01/2024 – 11/06/2024
Nigel Pocklington	01/01/2024 – 31/12/2024
Ana de Pro Gonzalo	01/01/2024 – 31/12/2024

Directors' interests

Save as disclosed:

a. none of the Directors, nor any person closely associated with them, has any interest in the Company's shares, debt instruments, derivatives or other linked financial instruments and there has been no change in the information in the Directors' Remuneration Report regarding such interests between 31 December 2024 and 28 April 2025, being the date this Directors' Report was approved (and also being a date which is not more than one month before the date of the Notice of the Company's 2025 AGM); and

b. in note 35 to the Consolidated Financial Statements, none of the Directors has or had at any time during the year ended 31 December 2024 a material interest, directly or indirectly, in any contract of significance with the Company or any of its subsidiary undertakings (other than the Executive Directors in relation to their Service Agreements).

Directors' service agreements and letters of appointment

The Executive Directors are party to service agreements with the Company which contain a rolling term subject to the giving by the Company or relevant Executive Director of relevant notice to terminate. All the Non-Executive Directors are party to letters of appointment with the Company which contain a rolling term, subject to the giving by the Company or the Non-Executive Director of relevant notice to terminate. All Directors' continued appointments are subject to annual election or re-election by shareholders and the powers of shareholders to remove Directors.

These Directors' service agreements and letters of appointment are available for inspection at the Company's registered office. Further details of these agreements and letters are included in the current Directors' Remuneration Policy, a copy of which is available on the Company's website at: https://www.mobicogroup.com/about-us/corporate-governance/remuneration/.

Directors' powers

Subject to the Companies Act 2006 (the Act), the Articles and any directions given by special resolution of the shareholders, the business of the Company is managed by the Board which may exercise all the powers of the Company. The Articles may be amended by a special resolution of the shareholders.

The Directors may pay interim dividends where, in their opinion, the financial position of the Company justifies such payment and the Directors may recommend that shareholders declare final dividends and, if so declared by ordinary resolution of shareholders, arrange for payment of such dividends. The Directors have the power to allot shares as described under the 'Authority to Issue Shares' section above. The Directors may also appoint other Directors in the circumstances described below.

Appointment and replacement of Directors

The rules for the appointment and replacement of Directors are set out in the Act and related legislation and the Articles.

The Board may appoint a Director either to fill a casual vacancy or as an additional Director provided that the total number of Directors does not exceed any maximum number of Directors prescribed in the Articles. Each incumbent Director must retire and seek election or re-election to office at each Annual General Meeting of the Company.

In addition to the powers of removal conferred by the Act the Company may, by ordinary resolution of which special notice is given, remove any Director before the expiry of their period of office. The Company may also by ordinary resolution appoint a Director either to fill a casual vacancy or as an additional Director.

In accordance with the Articles and the provisions of the UK Corporate Governance Code, all the current Directors will retire at the Company's 2025 Annual General Meeting and offer themselves for election or re-election, save for Helen Weir who will stand down from the Board on 1 May 2025. The Board is satisfied that each of the Directors is qualified for election or re-election to office by their contribution and commitment to the Board, their key strengths in support of the Company's strategy and for the reasons given in the Nominations Committee Report.

Directors' indemnities and insurance

The Company has granted qualifying third party indemnities to each Director and the Company Secretary (as defined by section 234 of the Companies Act 2006) in relation to losses or liabilities incurred by the Company's Directors and Company Secretary to third parties in the actual or purported execution or discharge of their duties as officers of the Company and of its associated companies which indemnities remain in force as at 28 April 2025[1]. The Company also maintains Directors' and Officers' liability insurance which provides appropriate cover in respect of legal action brought against its Directors and Company Secretary.

Significant agreements affected by a change of control

The Company is party to the following significant agreements that could be altered or terminate on a change of control of the Company following a takeover bid.

Under the terms of the Company's revolving credit facilities, the Company would upon a change of control have five days to notify the lenders of such change of control and if, following 10 days of negotiations to either confirm or alter the terms of such facilities, no agreement has been reached, outstanding balances under such facilities could become repayable.

Under the terms of the Company's: (i) EMTN programme (as last updated on 12 September 2023), (ii) the Note Purchase Agreement dated 29 October 2019 and (iii) the Company's hybrid bond issued on 24 November 2020, a change of control following a takeover bid could result in the notes issued thereunder being redeemed, repaid or purchased in accordance with their specific terms. See the Company's website here for further information: https://www.mobicogroup.com/investors/debt-investors/

Under the terms of some of the Group's vehicle leasing facilities, where the Company is a guarantor of such facilities, a change of control of the Company may amount to an event of default which could result in outstanding balances under such leasing facilities becoming repayable.

Under the rules of each of the Group's active share schemes, following a change of control of the Company the vesting of awards made under such schemes will be accelerated and, where performance targets are attached to the awards, the number of awards to vest will be determined according to the extent to which performance targets have been met. Each of the share schemes also allows, under certain circumstances and where the acquiring company has agreed, new awards to be granted in the acquiring company in place of the original awards to give substantially equivalent value to the awardees.

Due to the size of certain of the Company's credit facilities, note purchase agreements and leasing facilities, absent consent from the relevant lenders, noteholders and lessors to a change of control following a takeover bid or the bidder being able to refinance such facilities and borrowings upon its takeover bid being accepted and taking effect, their repayment, termination or default upon such change of control could create significant liquidity issues for the Company and could also trigger cross-defaults into other of the Company's and the Group's credit and leasing facilities.

There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid, save that the provisions of the Group's active share incentive schemes may cause awards made under them to Directors and employees in the form of share options to vest on a takeover bid being accepted and taking effect, or, under certain circumstances and where the acquiring company agrees, new awards to be made in the acquiring company in place of the original awards to give substantially equivalent value to the awardees.

Employee matters

Pages 65 of this Annual Report set out how the Company: engages with its workforce and takes their views into account; involves employees in Company performance; promotes common awareness among employees of financial and economic factors affecting the Company performance; and summarises how the Company is an equal opportunities employer.

Political donations, contributions and expenditure

The Company did not make any political donations or contributions or incur any political expenditure during the year ended 31 December 2024 (2023: nil political donations, contributions and political expenditure). The Company's policy is that neither it nor its subsidiaries make what are commonly regarded as donations or contributions to political parties. However, the Act's definition of political donations includes expenditure that could capture other business activities which would not normally be thought of as political donations or contributions, such as subscriptions, payment of expenses and support for bodies representing either the transport industry specifically or the business community in general in policy review or reform. The resolution being proposed at the Company's 2025 Annual General Meeting to authorise political donations, contributions and expenditure is to ensure that these normal business activities are permitted and that neither the Company nor its UK subsidiaries commit any technical breach of the Act.

Audit information

Each of the persons who are Directors as at 28 April 2025[1] confirms that, so far as they are aware, there is no relevant audit information of which the Company's auditor, Deloitte LLP, is unaware and that they have taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Annual General Meeting

The Company's 2025 Annual General Meeting ('AGM' or 'Meeting') will be held at BMA House, British Medical Association, Tavistock Square, London WC1H 9JP at 2.30pm on Monday 9 June 2025. A separate circular, comprising a letter from the Chair, Notice of the Meeting and explanatory notes on the resolutions proposed, accompanies this Annual Report. Both documents can also be found on the Company's website at: www.mobicogroup.com.

Approval

This Directors' Report was approved by the Board on 28 April 2025

By Order of the Board

Simon Callander
Group General Counsel and Company Secretary

Mobico Group PLC

Company number 2590560

1 being the date this Directors' Report was approved

Directors' responsibilities

Legal and regulatory framework

The Directors are required to prepare the Group financial statements in accordance with United Kingdom adopted international accounting standards. The Group financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the IASB. The Directors have chosen to prepare the Company's financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for the period in question.

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

In preparing the Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare such financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with applicable law and regulations.

The Directors are also responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the Group taken as a whole;
- the Strategic Report and Directors' Report, taken together, include a fair review of the development and performance of the business and the position of the Company and the Group, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's and the Group's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors and is signed on its behalf by:

Ignacio Garat

Ignacio Garat
Group Chief Executive Officer

28 April 2025

Helen Cowing
Interim Group Chief Financial Officer

28 April 2025