

**The City of Oxford Motor Services Limited
(the “Company”)**

The following Section 172(1) Statement and corporate governance arrangements disclosure have been extracted from pages 5 to 7 and from pages 8 to 11 respectively of the Company’s Annual Report and Financial Statements for the year ended 2 July 2022 (the “Annual Report”). All page references relate to the Annual Report (available at Companies House).

Section 172 statement

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

The likely consequences of any decision in the long term:

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

The interests of the Company’s employees:

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

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

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

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

As an operator of public transport, the Company aims to enhance the lives and wellbeing of every community where it operates by providing them with vital transport services. Communities are a key stakeholder group and further information on community engagement and outcomes is set out in the stakeholder engagement section on this page. Environmental considerations are central to the strategy of the Group, and therefore to the Company. The Group has committed to reduce carbon emissions by 75% by 2035 and consolidating zero emissions capabilities is one of five key enablers underpinning the Group’s strategic priorities. Further information on the Group’s approach to environmental considerations can be found in the Group’s Annual Report & Accounts 2022 published on www.go-ahead.com.

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

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

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

The Company has a single shareholder, Go-Ahead Holding Limited, and forms part of the group of companies owned by the Group. The Group is structured around a devolved operating model and the Company is managed by its board of directors as a standalone business unit. Further details are set out in the corporate governance arrangements section of the Directors’ Report.

Stakeholder Engagement

The latest Go-Ahead Group Limited stakeholder engagement table is on pages 25-27 of the 2022 GAGL ARA - at the time of drafting the template disclosure in July 2022, only the 2021 GAGL ARA was available. The Company's employees are kept informed of Company news and activities through a bi-weekly newsletter and monthly meetings are held with the Negotiating Committee that represent employee interests generally.

The Company's relationships with local authorities have been critical in navigating the Company through challenging market conditions. The Company have consulted with these stakeholders and the Department for Transport regularly throughout the financial year and continue to do so to make sure that services are operated where our communities need them most and that funding conditions are complied with.

Directors of the Company have been regular contributors to industry-wide consultations and meetings with the Department for Transport either as representatives of the Company or assisting the industry's trade body, the Confederation for Passenger Transport. This has ensured that the Company's views are represented and heard as the industry evolves its post pandemic service offering.

Principal Decisions

Examples of key decisions taken by the Board during the year ended 2 July 2022 in accordance with Section 172 are set out below:

- Entry into new contract with Belmond Hotels for service 46 from June 2022
- Decision to implement a phased increase in the airline service in response to easing of COVID-19 travel restrictions by the UK government
- Decision to carry out a network review in Oxfordshire in January 2022, in partnership with Oxfordshire County Council and other bus operators.

Corporate governance arrangements

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

Principle 1 - Purpose and leadership

Purpose

The Company is a subsidiary of The Go-Ahead Group Limited (the “Group”) and therefore is aligned to the Group’s purpose which is “Moving you and the next generation towards a smarter and healthier planet.” Within that context, the Company’s mission statement is “One Team, delivering an ever-improving customer experience” and it has been promoted to the workforce and wider stakeholders through our regular two-weekly employee newsletter “OnBoard”, through our quarterly Stakeholder newsletter, and through information displayed on our website and physically around our depots and office premises. Further details regarding engagement with key stakeholders and its impact on certain key decisions are set out in the stakeholder engagement and principal decisions sections on page 7 respectively of the strategic report.

Values and Culture

The Company is also aligned to the Group’s values which are to be collaborative, transparent, accountable, open-minded and agile. These have been integrated into the Company’s functions and business operations through our five core values “Working as a Team”, “Customer Focused”, “Continued Success”, “Embracing Diversity” and “Socially Responsible”. The Company’s values and behaviours contribute to its culture, which is monitored through regular employee surveys, regular meetings with Trade Union representatives, and through our Colleague Relations Forum. The Company benefits from the Group’s Code of Conduct and its policy and framework for the workforce to raise concerns about misconduct and unethical practices. These policies can be found on the Group’s website www.go-ahead.com/sustainability/policies.

Strategy

The Group’s strategy, “The Next Billion Journeys”, is supported by three strategic priorities: performance improvement; organic and external growth; and the leverage of existing capabilities and resources to progress new opportunities. These have been clearly articulated and implemented throughout the Company through quarterly Leadership Team meetings and monthly depot review meetings. In pursuing these objectives, the Company’s board of directors is responsible for balancing short-term imperatives with long term strategic intentions.

Principle 2 – Board Composition

Chair

For part of the year, meetings of the Company’s board of directors were chaired by the Group’s Chief Executive Officer, who was also a member of the Company’s board of directors. However, the Group’s devolved operating model was further enhanced during the year and the Group’s previous executive directors, who left the Group during the year, ceased to be members of the Company’s board of directors. Meetings of the Company’s board of directors were chaired instead by the Company’s Managing Director. The Group’s more recently appointed executive directors attend the Company’s quarterly board meetings to provide support and challenge from a Group perspective.

Balance and diversity

The board comprises members with a range of skills and knowledge, and includes key operational roles – the Managing Director, Finance Director and Service Delivery Director. Appointments to these roles are based on merit, and each individual appointed is experienced both in their field of expertise and in the wider transport industry in which the Company operates. As a subsidiary within the Group, the Company applies the Group Equal Opportunities, Diversity & Inclusion policy, further details of which can be found on the Group’s website www.go-ahead.com/sustainability/policies. The Directors seek to ensure high standards of ethical conduct, honesty and integrity in our business practices. The Oxford Bus Group Board seeks to have a workforce that reflects the diversity of the communities we serve, for example, the ‘Women in Bus’ initiative, aiming to increase the percentage of female employees in bus from the current 11% to 20% in the next few years through a focused campaign promoting equal opportunities and inclusivity. One of the Company’s five mission statements is “Embracing Diversity” where the Directors strive to improve the diversity of our workforce. The Directors bring

our mission statement and values to life through the colleague induction process and continue to reinforce this via our fortnightly colleague newsletter.

Size and structure

The number of directors appointed to the Company's board is calibrated to the size and complexity of the Company's operations. As the board benefits from the support of the Group's executive directors, it considers the appointment of independent non-executive directors to be unnecessary.

Effectiveness

The Company's board held 7 meetings during the year. In accordance with the Group's operating company board procedures manual (the "Board Manual"), board meetings addressed standing agenda items, and meeting papers were circulated to all directors in the week prior to each meeting to allow sufficient time for preparation. All directors are expected to attend all meetings of the Company's board. Attendance and contribution to board discussions is a key element of the Company's senior leadership roles. Explanation and guidance on the role and statutory duties of a director are provided to the board in the Board Manual, and further support is available to the directors from both the Group's Company Secretary and its Legal Director.

Principle 3 – Director Responsibilities

Accountability

The Company's corporate governance practices are set out in the Board Manual which addresses matters such as board procedures, directors' duties and risk management. The Board Manual is reviewed and, if necessary, updated annually by the Group. Revisions are communicated to the Company's Managing Director, who is responsible for implementing any changes. Under the Group's devolved operating model, the board is responsible for the day-to-day running of the Company's business but remains accountable to the Group for business performance and compliance with key Group policies. The Group's executive directors attend some Company board meetings to provide appropriate support and challenge from the shareholder perspective. Conflicts of interest, including interests in a proposed transaction or other arrangement, are a standing board agenda item that requires directors to declare any actual or potential conflicts or interests they might have. A register of conflicts is maintained, and a conflicted director is expected to recuse themselves from the relevant board discussion. Governance processes are kept under regular review and the Board Manual is updated annually by the Group. The board certifies annually to the Group that it has complied with all applicable Group policies and procedures (including the Board Manual).

Integrity of information

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

Principle 4 – Opportunity and Risk

Opportunity

As the Company forms part of the Group, the Company's board of directors makes a business plan proposal to the Group as part of the Group's annual corporate plan. The proposal includes any growth opportunities that have been identified, and these are considered by the Group's board of directors as part of the Group board's strategic discussions and corporate plan approval process. With support from the Group, the Company's board is responsible for implementing the proposal. Information on stakeholders, and the impact on them of board decisions, is set out on page 6 of the strategic report.

Risk

Assessment of principal and emerging risks is considered at each board meeting and forms part of the board's twice-yearly risk reporting to the Group's executive directors. Reporting summarises the Company's principal and emerging risks together with their mitigations. Risks that could have a material implication for the Group are escalated to the Group board for consideration.

Responsibilities

The Company benefits from the Group's risk management and internal control framework, and aligns with the Group's stated risk appetite, but remains responsible for identifying emerging and established risks facing the Company. The Company's principal risks are set out on pages 3 to 5.

Principle 5 – Remuneration

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

Principle 6 – Stakeholder Relationships and Engagement

A description of the Company's key stakeholders, how the Company's board has engaged with them and the outcomes of that engagement is set out on page 6 of the strategic report.