



**Network Rail Limited**

**(the “Company”)**

**Terms of Reference**

**for**

**The Safety Health & Environment Committee of the Board**

### **Purpose**

The purpose of the Safety Health & Environment Committee (“SHE Committee”) is to satisfy itself of the overall **adequacy and effectiveness**, within the Network Rail group of companies (“Group”), of the safety, health and environmental:

- a) strategies; systems; policies; practices to deliver the business objectives ; and
- b) compliance with legal and regulatory requirements.

### **The role of the SHE Committee**

- 1 The SHE Committee shall have no executive powers with regard to its recommendations
- 2 The activity of the SHE Committee does not relieve the Board and the executive directors of their respective responsibilities for safety, health and environmental matters.
- 3 The SHE Committee may investigate or comment on safety, health and environmental matters (or any other related matters that are referred to it or as may appear to it to be necessary).
- 4 The activities of the SHE Committee shall include:

- a) **Framework** - Reviewing the Group's safety, health and environment strategies, systems, policies and practices;
- b) **Risk** - Considering the areas of significant corporate and individual safety, health and environment risk and whether the executive is managing these risks effectively;
- c) **Structure** - Reviewing safety, health and environment governance and managerial structure within the Group;
- d) **Audit & Review** - Reviewing of the scope, and results of, any safety, health and environment audit (or other review) on the effectiveness of the Group's safety, health and environment strategies, systems, policies and practices (including audit's (or review's) cost effectiveness and independence);
- e) **Investigations** - Considering the major findings of internal and external investigations and executive's response thereto;
- f) **Recommendations** - Making recommendations to the Remuneration Committee relating to the Group's safety, health and environment performance during the preceding financial year for the purposes of assisting that Committee's decision in the exercise of discretion in relation to awards under any management incentive plans.

### **Membership**

- 5 The SHE Committee shall be appointed by the Board and shall comprise at least three members being non-executive directors of the Board of Network Rail Limited.
- 6 The Board shall appoint one of the members of the SHE Committee to be its chair (who shall not be the Chairman of the Board) and, subject to the normal periodic re-election of directors, shall determine the period for which the chair and other members of the SHE Committee shall hold office.
- 7 The Company Secretary of the Group or the Company Secretary's nominee shall act as secretary of the SHE Committee (the "**Secretary**").

### **Attendees at Meetings of the SHE Committee**

- 8 The Executive Directors of the Company and the Director Safety and Compliance shall normally attend meetings of the SHE Committee by invitation of the SHE Committee.
- 9 Other members of the Board and/or other senior executives of the Group shall also attend meetings of the SHE Committee if invited by the SHE Committee.
- 10 One representative from one of Network Rail Infrastructure Limited's recognised trade unions ("the trade unions") shall normally attend meetings of the SHE Committee by invitation of the SHE Committee. That trade union shall be entitled to nominate the representative. The

terms of the representative's attendance shall be determined by the SHE Committee from time to time.

### **Proceedings of the SHE Committee**

- 11 The SHE Committee shall meet formally at least four times a year (with at least one meeting not being in London) and otherwise on such occasions as the Board may request. In addition, a meeting of the SHE Committee may be convened by any of its members, the Secretary, the Chief Executive or the Director, Safety, Technical & Engineering if they consider it necessary.
- 12 The quorum for transaction of business by the SHE Committee shall be any two members of the Committee.
- 13 At the request of any member the SHE Committee may at its discretion meet without any executive directors being present.
- 14 The SHE Committee shall operate by majority decision. In the case of an equality of votes, the chair of the SHE Committee shall be entitled to an additional or casting vote in addition to any other vote he or she may have.
- 15 Notice of each meeting of the SHE Committee (confirming the venue, date and time, and an agenda of business to be discussed) shall be sent to each member and any other invitees, not less than three working days before the meeting (unless determined otherwise by the chair).
- 16 The Secretary shall maintain a written record of the proceedings and decisions of the SHE Committee which shall be available to all members of the Board.
- 17 The SHE Committee shall conduct or arrange for a biennial evaluation or review of:
  - a) the work of the SHE Committee;
  - b) the members of the SHE Committee; and
  - c) these terms of referenceand make any recommendations to the Board.
- 18 The chair of the SHE Committee shall, if required, attend the Annual General Meeting and where required any other general meeting of the membership of the Company to deal with questions that fall within the remit of the SHE Committee. In the event of the non-availability of the chair another member of the SHE Committee shall attend such meeting.
- 19 The SHE Committee may at the Company's expense employ the services of external professional advisors and commission such reports or surveys as it deems necessary to fulfil its role.
- 20 The SHE Committee may investigate any activity within its terms of reference and may invite any persons to its meetings, and is authorised to seek such information from the Group and its directors and

employees (all employees being directed to co-operate with any such request by the SHE Committee), as it deems necessary in order to fulfil its role.

### **Reporting**

- 21** The SHE Committee shall receive at each committee meeting:
- (a) a report from the Director, Safety, Technical & Engineering covering the period since the last meeting, dealing with safety health and environmental related matters and performance across the Group; and
  - (b) a report from each of the linked management committees as agreed from time to time. .
- 22** The SHE Committee shall provide a report to the Board meeting following each SHE Committee meeting.

### **Other**

- 24** The SHE Committee shall consider any matter specifically referred to the committee by the full Board.

Adopted by the Board of Network Rail Limited on 24 May 2017