



**Network Rail Limited**

**(the "Company")**

**Terms of Reference**

**for**

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

**Membership**

- 1 The Safety Health & Environment Committee ("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.
- 2 The Board shall appoint one of the members of the SHE Committee to be its chairman (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 chairman and other members of the SHE Committee shall hold office.
- 3 The Company Secretary of the Company shall act as secretary of the SHE Committee (the "**Secretary**").

**Attendees at Meetings of the SHE Committee**

- 4 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.
- 5 Other members of the Board and/or other senior executives of the Company shall also attend meetings of the SHE Committee if invited by the SHE Committee.
- 6 One representative from the Company's recognised trade unions ("the trade unions") shall normally attend meetings of the SHE Committee by invitation of the SHE Committee. One of the trade unions shall be entitled to nominate that representative on a [calendar quarterly] rotating basis. The terms of the representative's attendance shall be determined by the SHE Committee from time to time.

**Proceedings of the SHE Committee**

- 7 The SHE Committee shall meet formally at least four times a year 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 & Compliance if they consider it necessary.

- 8 The quorum for transaction of business by the SHE Committee shall be any two members of the Committee.
- 9 The SHE Committee may at its discretion meet once a year without any executive directors being present.
- 10 The SHE Committee may at its discretion appoint at any time a maximum of two persons at any one time to act as advisors to provide such independent advice and support as the SHE Committee may consider appropriate in respect of any of its responsibilities under or pursuant to these Terms of Reference.
- 11 The SHE Committee shall operate by majority decision. In the case of an equality of votes, the chairman of the SHE Committee shall be entitled to an additional or casting vote in addition to any other vote he may have.
- 12 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 of the Committee, unless agreed by all concerned, and any other invitees not less than three working days before the meeting.
- 13 The Secretary shall maintain a written record of the proceedings and decisions of the SHE Committee which shall be circulated to all members of the Board.
- 14 The SHE Committee shall conduct an annual review of the work of and the members of the SHE Committee and these terms of reference and make recommendations to the Board.
- 15 The chairman of the SHE Committee shall attend the Annual General Meeting and where possible any other general meeting of the membership of the Company to answer questions on matters that fall within the remit of the SHE Committee. In the event of the non-availability of the chairman another member of the SHE Committee shall attend such meeting.
- 16 The SHE Committee may at the Company's expense (in accordance with the Company's Guidelines for Independent Professional Advice) directly employ the services of such external legal or other professional advisors, or otherwise commission such reports or surveys as it deems necessary to fulfil its responsibilities.
- 17 The SHE Committee may investigate any activity within its terms of reference and may invite such other persons to its meetings, and is authorised to seek such information from the Company 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.

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

- 18 The SHE Committee shall have no executive powers with regard to its recommendations and does not relieve the Board and the executive directors of their respective responsibilities for all safety, health and environmental matters.
- 19 The SHE Committee is required to satisfy itself as to the adequacy and effectiveness of the safety, health and environment policies and strategies within the Network Rail group of companies and the principles, policies and practices adopted in complying with all statutory, sub-statutory, standards and regulatory requirements in respect of safety, health and environmental matters affecting the activities of the Group.
- 20 The SHE Committee may investigate or comment on these or any other related matters that are referred to it or as may appear to it to be necessary.
- 21 The activities of the SHE Committee shall include:
  - a) Monitoring of the Group's safety, health and environment policies and strategies;
  - b) Considering the areas of significant corporate and individual safety, health and environment risk (including security related safety matters) and whether management is managing these effectively;
  - c) Reviewing the structure, adequacy and effectiveness of safety, health and environment managerial committees within the Company including review of any terms of reference for the same;
  - d) Reviewing of the scope of and results of any safety, health and environment audit on the effectiveness of the Group's safety, health and environment policies and strategies and such audit's cost effectiveness and the independence and objectivity of the audit body;
  - e) Considering the major findings of internal and external investigations and management's response thereto and, where necessary, with a view to the making of recommendations to the Board in respect of the same;
  - f) Making recommendations to the Remuneration Committee relating to the Company's safety, health and environment performance during the preceding financial year for the purposes of assisting that Committee's decision in the exercise of its discretions in relation to awards under the Management Incentive Plan.
- 22 The members of the SHE Committee shall be named in the Company's annual report.

## **Report from the Director Safety & Compliance**

- 23 The SHE Committee shall receive a report from the Director Safety & Compliance at least twice per year on safety health and environmental related matters across the Group.

**Other**

- 24** Consideration of any other matter specifically referred to the SHE Committee by the full Board.

Adopted by the Board of Network Rail Limited on 15 June 2011