



**Network Rail Limited (the “Company”)**

**Terms of Reference**

**for**

**the Treasury Committee of the Board**

**Membership**

- 1 The Treasury Committee (the “Committee”) shall be appointed by the Board on the recommendation of the Nomination Committee in consultation with the Chair of the Committee.
- 2 The Committee shall comprise at least two non-executive directors. The members of the Committee shall be named in the Company’s Annual Report and Accounts.
- 3 The Board shall appoint one of the members of the Committee to be its Chair. The members of the Committee will normally serve for a period of not less than three years unless determined otherwise in agreement with the Board and subject to the normal periodic re-election of directors.
- 4 The Company Secretary of the Company, or their nominee, shall act as secretary of the Treasury Committee (the “Secretary”).

**Proceedings of the Committee**

- 5 The Committee shall meet formally at least two times a year and otherwise on such occasions as the Board may request. In addition, a meeting of the Committee may be convened by any of its members or the Secretary if they consider it necessary.
- 6 The quorum for transaction of business by the Committee shall be any two members.
- 7 The Chief Financial Officer, senior representatives responsible for the Treasury function within the Company, the Corporate Finance and Business Development Director, and the Secretary will normally attend meetings of the Committee by invitation of the Committee. Other members of the Board of the Company shall also attend if invited by the Committee.

- 8 The Committee shall operate by majority decision. In the case of an equality of votes, the Chair of the Committee shall be entitled to an additional or casting vote in addition to any other vote he may have.
- 9 Notice of each meeting of the Committee (confirming the venue, date and time, and an agenda of business to be discussed) shall, unless agreed by all concerned, be sent to each member, all other non-executive directors and any other invitees not less than three working days before the meeting.
- 10 The Secretary shall maintain a written record of the proceedings and decisions of the Committee that shall be circulated to all members of the Committee.
- 11 The Chair of the Committee shall report the results of the Committee meeting to the next appropriate meeting of the Board (to the extent deemed appropriate by the Chair of the Committee).
- 12 The Committee shall conduct an annual review of the work of and the members of the Committee and these terms of reference and make recommendations to the Board.
- 13 The Committee's duties and activities during the preceding financial year shall be disclosed in the Company's Annual Report and Accounts.

### **Authority of the Committee**

- 14 The Committee is authorised by the Board of the Company to:
  - a) at the Company's expense directly employ the services of such external legal or other professional advisors, or otherwise commission such reports and surveys as it deems necessary to fulfil its responsibilities;
  - b) investigate any activity within its terms of reference;
  - c) invite such persons to its meetings as the Committee considers appropriate;
  - d) seek such information from the Company and its directors and employees (all employees being directed to co-operate with any such request by the Committee), as it deems necessary in order to fulfil its role.

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

- 15 The Committee shall exercise the powers and discretions described in paragraphs 15.1 to 15.4 below.

## **15.1 General**

15.1.1 The Committee is required to review and satisfy itself as to:

- (i) having regard to the general business needs of the Company, the appropriateness of proposed treasury transactions including:
- Banking (including bank relationships);
  - Cash Management and Cash Forecasting;
  - Financing Activities;
  - Debt Management (including rating agency and investor interface);
  - Investment Management; and
  - Treasury Risk Management

15.1.2 The Committee shall consider and (as applicable) approve or recommend strategies and policies in relation to areas of treasury management including (but not limited to):

- financing activities;
- liquidity management and forecasting;
- regulatory requirements;
- investor relations;
- bank relationships; and
- treasury internal control and governance policies including changes to the Treasury Policies Manual.

15.1.3 The Committee may investigate or advise on these or any related matters that are referred to it or as may appear to it to be necessary.

## **15.2 Internal control**

The Committee shall:

- (a) review the Treasury function's financial reporting and internal control procedures (including financial, operational and compliance controls and risk management relating to the work of the Treasury function) prior to endorsement of such procedures by the Board;
- (b) consider the current areas of greatest corporate funding and liquidity risk and whether management is managing these effectively;

- (c) consider the major findings of internal investigations into the Treasury function and management's response and, where necessary, the making of recommendations to the Board in respect of the same;
- (d) review management's, the internal auditor's and external auditors' reports on the effectiveness of systems from internal financial control, financial reporting and risk management.

### **15.3 Transaction Authorisation**

15.3.1 The Committee shall approve specific transactions in all areas of Treasury responsibility as detailed in 15.1 above.

15.3.2 The Committee shall have the power to sub-delegate the approval of specific transactions (within the parameters defined in 15.3.1) to any of the Chief Financial Officer, Group Controller or the Head of Treasury.

### **15.4 Other**

Consider any other matter specifically referred to the Committee by the full Board or the Audit and Risk Committee.

Adopted by the Board of Network Rail Limited on 30 July 2020.