



Network Rail Limited

(the “Company”)

Terms of Reference

for

The Environmental Sustainability Committee of the Board

Purpose

The purpose of the Environmental Sustainability Committee is to provide oversight for the Board of the environmental sustainability strategy as approved by the Board from time to time.

The Safety, Health & Environment Committee shall retain responsibility for reviewing the adequacy and effectiveness of the systems that seek to ensure compliance with environmental regulation and laws which are enforced by a regulator through criminal or civil sanctions.

The Audit & Risk Committee shall retain responsibility for annual corporate reporting.

The role of the Environmental Sustainability Committee

- 1** The Environmental Sustainability Committee shall have no Board or executive powers with regard to any of its recommendations to the Board or the executive.
- 2** The Board shall retain responsibility for holding the executive to account for matters relating to environmental sustainability.

- 3 The activity of the Environmental Sustainability Committee does not relieve the Board and the executive directors of their respective responsibilities for environmental sustainability matters.
- 4 The Environmental Sustainability Committee may examine or comment on environmental sustainability matters (or any other related matters that are referred to it or as may appear to it to be necessary).

Membership

- 5 The Environmental Sustainability Committee members shall be appointed by the Board and shall comprise at least three (3) members being non-executive directors of the Board of Network Rail Limited.
- 6 The Board shall appoint one of the members of the Environmental Sustainability Committee to be its chair and, subject to the normal periodic re-election of directors, shall determine the period for which the chair and other members of the Environmental Sustainability Committee shall hold office.
- 7 The Company Secretary of the Group or the Company Secretary's nominee shall act as secretary of the Environmental Sustainability Committee (the "**Secretary**").

Attendees at Meetings of the Sustainability Committee

- 8 The Executive Directors of Network Rail, Route Directors (or their nominees) and senior observers from the Department for Transport shall normally attend meetings of the Environmental Sustainability Committee by standing invitation of the Environmental Sustainability Committee.
- 9 Other members of the Board, and/or other senior executives of the Group may also attend meetings of the Environmental Sustainability Committee by invitation.

Proceedings of the Environmental Sustainability Committee

- 10 The Environmental Sustainability 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 Environmental Sustainability Committee may be convened by any of its members or the Secretary.
- 11 The quorum for transaction of business by the Environmental Sustainability Committee shall be any two members of the committee.
- 12 Notice of each meeting of the Environmental Sustainability 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).
- 13 The Secretary shall maintain a written record of the proceedings and decisions of the Environmental Sustainability Committee which shall be available to all members of the Board.

- 14** The Environmental Sustainability Committee shall conduct or arrange for a biennial evaluation or review of:
- a) the work of the Environmental Sustainability Committee;
 - b) the members of the Environmental Sustainability Committee; and
 - c) these terms of reference
- and make any recommendations to the Board.
- 15** The Environmental Sustainability Committee may, from time to time, at the Company's expense employ the services of external professional advisers and commission such reports or surveys as it deems necessary to fulfil its role. The committee may ask such advisers to play a full and active part in committee meetings, but those advisers will not become members of the committee.
- 16** The Environmental Sustainability Committee may examine 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 Environmental Sustainability Committee), as it deems necessary in order to fulfil its role.

Reporting

- 17** The Environmental Sustainability Committee shall provide a report to the Board meeting following each committee meeting.

Other

- 19** The Environmental Sustainability Committee shall consider any matter specifically referred to the committee by the full Board.

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