

Network Rail Limited (the “Company”)

Terms of Reference

for

The Safety, Health & Environmental Compliance Committee (the Committee)

Purpose

1. The purpose of the Committee is to satisfy itself of the overall adequacy and effectiveness and promote a culture of continuous improvement within the Network Rail group of companies (“the group”)¹, of the:
 - (a) safety and health strategies; systems; policies; practices to deliver the business objectives; and
 - (b) compliance with environmental legal and regulatory requirements,

Governance role of the Committee

2. The Committee is a sub committee of the Board.
3. The Committee has no executive powers with regard to its recommendations.
4. The activity of the Committee does not relieve the Board and the executive directors of their respective responsibilities for safety, health and environmental matters.
5. The 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).

Activities of the Committee

6. The activities of the Committee shall include:
 - (a) **Framework:** Reviewing the group’s safety and health strategies, systems, policies and practices and environmental compliance;

¹ Except in respect of Network Rail Consulting Limited or Network Rail (High Speed) Limited whose health, safety and environmental compliance is not overseen by this Committee.

- (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:
 - (i) safety and health 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); and
 - (ii) environmental regulatory and legal compliance audit.
- (e) **Investigations:** Considering the major findings of internal and external investigations and executive's response thereto;
- (f) **Recommendations:** Making recommendations to the Nominations & Remuneration Committee relating to the group's safety and health performance and environmental compliance 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

- 7. The members of the Committee shall be appointed by the Board and shall comprise at least three non-executive directors of the Board of the Company.
- 8. The Board shall appoint one member of the Committee to be its chair (who shall normally not be the chair 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 Committee shall hold office.
- 9. If the chair is unable to attend a meeting, the Committee may appoint another of its number to chair that meeting.
- 10. The group company secretary or their nominee shall act as secretary of the Committee (the "secretary").

Attendees at meetings of the Committee

11. The executive directors of the Company and the group safety and engineering director shall normally attend meetings of the Committee by invitation of the chair.
12. Other members of the Board and/or other senior executives of the group shall also attend meetings of the Committee if invited by the chair.
13. One representative from one of the Company's recognised trade unions ("the trade unions") shall normally attend meetings of the Committee by invitation of the chair. That trade union shall be entitled to nominate the representative. The terms of the representative's attendance shall be determined by the Committee from time to time.

Proceedings of the Committee

14. The 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 Committee may be convened by any of its members, the secretary, the chief executive or the group safety and engineering director if they consider it necessary.
15. The quorum for transaction of business by the Committee shall be any two members.
16. At the request of any member, the Committee may meet without any executive directors being present.
17. 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 they have.
18. Notice of each meeting of the 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).
19. The secretary shall maintain the minutes of the Committee which shall be available to all members of the Board.
20. The Committee shall conduct or arrange for a biennial evaluation or review of:
 - (a) the work of the Committee;
 - (b) the members of the Committee; and
 - (c) these terms of reference

and make any recommendations to the Board.

21. The chair of the 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 Committee. In the event of the non-availability of the chair another member of the Committee shall attend such meeting.
22. The 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.
23. The 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 committee), as it deems necessary in order to fulfil its role.

Reporting

24. The Committee shall receive at each committee meeting:
 - (a) a report from the group safety and engineering director 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.
25. The Committee shall provide a report to the Board meeting following each committee meeting.

Other

26. The Committee shall consider any matter specifically referred to the committee by the full Board.

Adopted by the Board of Network Rail Limited on 3 July 2025