Nominations and remuneration committee report

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Chair, nominations and remuneration committee
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During 2025/26, the committee has discharged its responsibilities in accordance with its terms of reference, with particular focus on board and committee appointments, leadership succession and board effectiveness, alongside oversight of a period of significant executive transition.

This included the appointment of a new chair, chief executive and chief financial officer. These changes marked a pivotal period for the organisation and were a central priority for the committee, which sought to maintain stability and continuity as Network Rail prepares for the transition to Great British Railways (GBR).

The committee also reviewed the company's succession planning, had oversight of remuneration frameworks, policies and outcomes within the parameters set by the Department for Transport (DfT) and HM Treasury, and considered matters relating to culture, diversity, talent and workforce strategies.

In parallel, the committee considered the outcomes of the Board evaluation and executive performance review, alongside broader governance developments relating to rail reform and organisational readiness for GBR.

The nominations and remuneration committee operates as a single committee, with its nominations and remuneration responsibilities reported separately. This report addresses the nominations-related work of the committee, with remuneration matters set out in the Directors' remuneration report on pages 145 to 156. Areas of overlap are highlighted where relevant.

The committee continued to benefit from a broad range of skills and experience across its membership. Changes during the year are described in the Corporate governance report.

Committee attendees

Attendance at meetings is set out in the Corporate governance report on page 115. The group general counsel and company secretary (or their delegate) act as secretary to the committee. The committee is supported by the group HR director and head of reward. The chief executive attends meetings by invitation, except where matters relating to their own remuneration are discussed. Other attendees join for specific items, and meetings are routinely attended by a representative from the DfT.

Roles and responsibilities of the committee

The committee advises the Board on matters relating to Board and committee composition, leadership and succession, governance and effectiveness, and the remuneration of directors and senior executives. In carrying out its responsibilities, the committee:
- oversees board and committee appointments, including succession planning and the induction of new directors
- promotes effective board culture, diversity and inclusion
- reviews the effectiveness of the board and its committees
- oversees appointments to subsidiary boards and considers other matters within its remit
- determines individual remuneration outcomes
- oversees incentive arrangements and performance outcomes
- reviews pension provision and wider reward structure.

The committee comprises non-executive directors and is chaired by a non-executive director.

The committee may seek independent external advice where appropriate, although no such advice was required during the year.

The committee operates in accordance with its terms of reference, which are reviewed regularly to ensure alignment with the UK Corporate Governance Code and evolving best practice. The terms of reference are available on the company's website: **www.networkrail.co.uk**

Principal activities during the year

During the year, the committee was active in the following areas:

Leadership, succession planning and Board composition

The committee oversaw leadership succession, capability and board composition during a period of significant executive and organisational transition, with a focus on maintaining continuity, stability and an appropriate balance of skills and experience across the organisation.

In doing so, the committee:
- reviewed talent development strategies and the strength of the leadership pipeline, particularly in the context of rail reform, organisational change and the transition to GBR
- maintained oversight of leadership continuity, retention risks and wider transition risks to support organisational stability
- oversaw executive succession planning, including the appointments of the chief executive and chief financial officer, supported by additional meetings to ensure a robust and timely selection process
- supported the transition to new executive leadership following the retirement of the previous chief executive, including structured induction and transition planning.

The committee also considered Board, Board committee and subsidiary appointments and reappointments, ensuring continuity of leadership while maintaining an appropriate balance of independence, skills and experience. This included:
- recommending the appointment of Rebecca Seeley (17 July 2025) and Paul Marshall (18 October 2025) as directors to the board
- noting the DfT process to appoint the chair, with Richard George appointed as director and chair on 2 February 2026
- recommending the extension of tenure for Mark Bayley and Fiona Ross, which were approved by the Secretary of State for Transport
- recommending extending the appointments of Sally Jones and Philip Lewis as non-executive directors

of Network Rail Property Limited and members of the property supervisory committee, which were approved by the Board
- recommending the extension of appointments for Mike Putnam, David Noyes and Ismail Amla for submission to the Secretary of State for Transport
- recommending the extension of appointments for Dyan Perry, Steve Scrimshaw and Stuart Harvey.

Board performance

The committee reviewed the composition, effectiveness and performance of the Board and its committees, with a focus on ensuring an appropriate balance of skills, experience and governance to support the organisation through a period of significant change. In doing so, the committee:
- considered the composition, skills and experience of the Board and its committees, including the skills matrix and development priorities
- considered the Board's role in supporting the transition to GBR
- evaluated the outcomes of the Board's structured, self-assessment of its effectiveness undertaken in September 2025 and the actions identified to be taken to strengthen effectiveness
- reviewed feedback on Board processes, including meeting structure and the quality and focus of papers and reporting
- considered matters relating to rail reform and organisational readiness for GBR and the implementation of the modernising maintenance initiative.

Other areas

The committee oversaw remuneration, performance and workforce matters, ensuring alignment between organisational performance, reward outcomes and the broader people strategy as Network Rail progresses towards GBR. In doing so, the committee:
- reviewed organisational performance against agreed objectives and how these were reflected in remuneration outcomes, including performance related pay and incentive arrangements
- provided oversight of remuneration frameworks
- considered the DfT rail sector senior pay strategy and its implications, including salary levels for integrated managing director roles
- maintained oversight of organisational culture, workforce matters and employee relations
- reviewed pension provision as part of its oversight of total remuneration
- monitored progress against diversity and inclusion objectives.

Planned activities for 2026/27

In the year ahead, the committee will continue to focus on leadership, governance and workforce capability to support the transition to GBR. In doing so, the committee will:
- lead board and executive appointments, succession planning and reappointments, with a focus on skills, diversity and continuity
- review talent development strategies to ensure the organisation has the capabilities required to deliver its objectives
- oversee the continued development of the diversity and inclusion strategy
- keep under review the composition, skills, experience and effectiveness of the board and its committees
- review executive directors' objectives for 2027/28
- oversee organisational readiness for GBR, including leadership structures, succession pipelines and people strategy
- support the transition to GBR through effective leadership continuity, governance and workforce planning.