

Scottish Rail Holdings Limited Nominations & Remuneration Committee Terms of Reference

The Board and Accountable Officer has established a Nominations & Remuneration Committee as a Committee of the Board to support in their responsibilities regarding remuneration, performance and appointments.

Membership

The members of the committee are:

- non-executive directors:
 - NED B (independent)
 - NED A (independent)
 - SRH Chairman
 - SRH CEO
 - SRH CFO
- SRH Company Secretary;
- independent external members: (as appointed)

Date of appointment and when the appointment is due to end/become eligible for renewal to be added at first meeting.

The committee will be Chaired by NED B.

The committee will be provided with a secretariat function by SRH Company Secretary.

Reporting

- The committee will formally report in writing to the Board after each meeting. A copy of minutes of the meeting may form the basis of the report.
 - The committee will provide the Board and Accountable Officer with an Annual Report, timed to support finalisation of the financial statements and the Governance Statement, summarising its conclusions from the work it has done during the year.

Responsibilities

The purpose of the Remuneration and Appointments Committee, on behalf of the SRH Board and the Accountable Officer is to consider the remuneration of the SRH Board [and where relevant group] senior staff and to take an overview of appointments and remuneration issues. The committee will ensure compliance with

the relevant sections on pay and performance as outlined in the framework document and the SPFM in particular ensuring adherence to SG pay policies.

Specifically, the committee will:

- agree the Board's pay remit to be submitted to the Scottish Government
- consider the strategic implications of staff pay and reward policies including pensions arrangements for the Board
- consider remuneration and terms and conditions for the Chief Executive and Directors
- consider and advise, in consultation with the Chief Executive, appraisals and succession planning for the Executive Team.
- consider and advise, in consultation with the Chair, the annual appraisal and objectives of the Chief Executive.
- To review, discuss and approve any proposed settlement agreements in excess of £75,000, or those that relate to the senior management team and/or may be viewed as in the public interest and may be contentious.

To support the Chief Executive in any voluntary redundancy arrangements arising through restructuring.

Meetings

The procedures for meetings are:

- The Committee will normally meet as business requires, timed to inform the Scottish Government pay consideration timeline. The Chair of the Committee may convene additional meetings, as they deem necessary.
- A minimum of two non-executive director members of the Committee must be present for the meeting to be deemed quorate.
- Committee meetings will normally be attended by the relevant representative from HR and where appropriate the Accountable Officer.
- The Committee may ask any other employees of the organisation to attend to assist it with its discussions on any matter.
- The Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of any matter; and
- The Board may ask the Committee to convene further meetings to discuss any matter on which they want the Committee's advice.