Minutes of Meeting

Scottish Rail Holdings Limited – Board Meeting

Thursday 8 January 2026, 09.00 to 17.30

Location: Room 11, St Vincent Plaza / Via Teams*

Present:	Iain Docherty – Chair Hannah Ross – Chief Executive Brian Baverstock – Non-Executive Director* Carolyn Griffiths – Non-Executive Director Mike Bagshaw – Non-Executive Director Neil Amner – General Counsel Roz Foyer – Non-Executive Director* Campbell Davidson – Finance Director
In attendance:	Matthew Spence – Director Strategy and Investment Amanda MacLellan – People and Culture Director Simon French – Chair of Department for Transport Rail Reform Safety Assurance Working Group Michelle Nolan-McSweeney – Network Rail Safety Policy Lead (reform) [Redacted] – Business Analyst (Item 5)
Apologies:	John MacQuarrie – Rail Business Director

Agenda Item 1: Notice, apologies, and quorum

1. The Chair welcomed everyone to the meeting.

2. The meeting was quorate.

Agenda item 2: Declarations of interests and conflicts of interest

3. There were no declarations of interest.

Agenda Item 3: Presentation

4. The Chair welcomed Simon French, Chair of the Department for Transport Rail Reform Safety Assurance Working Group, and Michelle Nolan-McSweeney, Network Rail Safety Policy Lead (reform) to the meeting. Simon French gave the Board a presentation on the rail sector transformation programme – safety assurance strategy covering many aspects related to safety responsibilities during the design and implementation of rail reform and the creation of Great British Railways.

5. [Redacted]

Simon French and Michelle Nolan-McSweeney left the meeting.

Agenda Item 4: Terms of Reference Review

SRH Board Terms of Reference

6. The Board considered the paper on the review of terms of reference for the Board, including the scheme of delegation, terms of reference for SRH Group Audit and Risk Committee and Remuneration Committee, and the terms of reference for the Safety, Health and Environment Committees.

7. In relation to the review of the terms of reference for the Board, the Board noted:

- The need for a deputy Board Chair and a senior non-executive director will be discussed at the next meeting of the non-executive directors;
- The quorum for the Board should be three non-executive directors;
- The reference to a maximum of nine ordinary members is likely related to nine non-executive directors;
- The governance review may require change to the terms of reference so if change is not needed now then leave as is;
- Carolyn Griffiths view that the Board should be informed of outputs from the Strategic Rail Board and the Alliance Board and this should be noted in the terms of reference. Consider relevant wording as a catch all to cover all relevant meetings for Board level;
- Consider amendment to clarify that decisions of the Board by correspondence need to be unanimous; and
- Papers for the Board meetings should now be issued on the Monday of the week prior to the Board meeting ie eight working days in advance of the meeting, with the exception of the monthly reporting on finance and Chief Executive's report.

8. General Counsel will send the tracked changes on the Board terms of reference to the Board for approval which will also require Transport Scotland approval.

SRH Scheme of Delegation

9. In relation to the review of the Scheme of Delegation, the Board noted:

- Financial delegated authority levels in the scheme of delegation should remain as is ie any contracts over £100,000 must be considered and approved by the Board;
- The Executive Team should consider delegated authorities across the group for the Board's consideration; and
- The appointment and remuneration of Managing Directors of SRH subsidiary companies should be the responsibility of the SRH Board, on the recommendation of the Remuneration Committee *(this may require amendment to the Framework Agreement and terms of reference for the Remuneration Committee rather than amendment to the scheme of delegation).*

Terms of Reference for SRH Group Audit and Risk Committee

10. The Board had agreed at its meeting on 22 October 2025 that the Audit and Risk Committees for SRH, ScotRail and CSL should be amalgamated into one Audit and Risk Committee for the SRH Group. The Board considered the draft terms of reference for a SRH Group Audit and Risk Committee.

11. The Chair referred to paragraph 2.2 of the draft terms of reference and said that it should be made clear that a non-executive director will Chair the Committee, as is required under the Framework Agreement at Appendix 3, paragraph 2d).

12. Carolyn Griffiths said that the Group Committee should have non-executive representation from ScotRail and CSL and she had concerns regarding the Committee considering operational risks relating to ScotRail and CSL with no non-executive representation from ScotRail and CSL Boards. The Board agreed that the SRH Chief Executive and SRH General Counsel would be in attendance at the Group Committee meetings and noted that they are both non-executive directors of ScotRail and CSL.

13. Brian Baverstock noted that the draft terms of reference require only two members of the Committee and this should be changed to a minimum of three non-executive members to comply with the guidance on audit committees as detailed in the Scottish Public Finance Manual. He said that he was in agreement with the proposed membership of the Committee and said that it was not the role of the Committee to discuss detailed operational matters and if a matter arose at the Committee which required subject matter expertise at non-executive director level then the Committee would request this.

14. Brian Baverstock referred to section four of the terms of reference and said that, as the Chair of the Committee does not sit on the subsidiary Boards, reports from the Committee to the subsidiary Boards should be agreed in advance with the Committee Chair. He said that where there are areas of significant concern the Committee Chair should attend the subsidiary Board meeting to provide a report to the relevant Board. He also asked for the following amendments to be incorporated:

- Timescale for the Committee Chair to review draft minutes of meeting to be changed from two to normally five working days;
- Final bullet under paragraph 3.6 regarding engagement with external auditors, delete the reference to stakeholders;
- An additional bullet should be added at paragraph 3.7 that the Committee will give advice to the SRH and subsidiary Boards on effective governance; and
- Paragraph 5.1 should be revised to ensure that the independence of the Committee is not limited.

15. Carolyn Griffiths said that the external and internal audit plans for the Audit and Risk Committee and the SHEC should be coordinated and shared so that there is no duplication in internal audit work. General Counsel said that this matter had been addressed in the covering Board paper at paragraphs 4.8 to 4.11 which notes the distinction between the safety audit plan considered by SHEC and the strategic internal audit plan, the work from which is undertaken by the Group internal auditors who would not be undertaking audit work from the specific items on the safety audit plan. Brian Baverstock said that he agreed that there should be no duplication and this was already covered in the terms of reference for the Audit Committee which states that the Audit Committee will not be involved in any policies and procedures that fall within the remit of SHEC. Carolyn Griffiths noted that SHEC does not approve policies and procedures and does not consider policies unless they are found to be deficient.

16. The Finance Director said that the timetable for the audit of the 2024/25 annual report and accounts included a timeline for the draft section on safety matters to be considered by the SHECs, but this timeline was missed by the subsidiary companies, and these sections were discussed with the SHEC Chair. He said that the timeline for the sections on safety matter to be discussed at SHEC would be included in the timetable for the 2025/26 annual report and accounts. General Counsel said that this requirement could be included at section 3.8 of the terms of reference for the Group Audit and Risk Committee.

17. General Counsel suggested adding wording to state that the SRH Board will liaise with the Audit Committee and subsidiary boards on the annual review of the terms of reference, to cover points raised by Carolyn Griffiths and Brian Baverstock.

18. The Board approved the terms of reference subject to the amendments noted above. General Counsel said that he would send the amended version to the Board by email.

The Board had a lunch break until 1.30pm.

Terms of Reference for SRH Group Remuneration Committee

19. The Board had agreed at its meeting on 22 October 2025 that the Remuneration Committees for SRH, ScotRail and CSL should be amalgamated into one Remuneration Committee for the SRH Group. The Board considered the draft terms of reference for a SRH Group Remuneration Committee.

20. In regard to paragraph 3.1 of the draft terms of reference the Board agreed that the timescale for the Committee Chair to review draft minutes of meeting should be changed from two to normally five working days. Brian Baverstock said that the draft minutes of the Committee should not be submitted to the Boards for reporting purposes, in certain situations, as there can be sensitive and personal matters detailed in the Remuneration Committee minutes.

21. The Chair asked if a policy was required on redacting information from minutes and said that he was surprised at the level of detail in SRH minutes. Brian Baverstock said that he agreed that the SRH minutes are too detailed and

while he did not think that a policy on redactions was required, he said that reflection on the level of detail in the minutes should be considered. The Chair asked for a short note to be provided by General Counsel on minuting, redactions and publication.

22. The Board approved the terms of reference subject to the amendments noted above. General Counsel said that he would send the amended version to the Board by email.

ScotRail and CSL Terms of Reference for SHEC

23. The Board noted that ScotRail and CSL have terms of reference in place for their respective SHECs, as approved by the respective Boards but it is not clear from available records whether the establishment of the committees and the terms of reference were approved by the SRH Board, as the Parent company, as is required under the Articles of Association.

24. General Counsel provided a draft briefing note to the Board on Safety Responsibilities and said that his view is that there should be a balance of control and autonomy between owning companies and safety duty holders. He said that while owning companies should not be involved in the operational aspects of safety, they do have a duty in respect of obtaining assurance and being able to challenge dutyholders. He said that he will undertake more authoritative research and prepare a final briefing note for the Board.

25. Carolyn Griffiths referred to her email to the Board of 7 January regarding SRH's safety role and referred to existing case law. She said that while owning companies should be assured that subsidiary companies have appropriate arrangements in place, they should not be involved in the preparation or review of the terms of reference of SHEC as this could be taken as the owning company giving direction to a dutyholder on safety matters.

26. After discussion, the Board agreed that advice on the Board's role in relation to safety should be taken from all available sources and General Counsel and Carolyn Griffiths will discuss this matter further and report back to the Board in due course.

Agenda Item 5: Board Self-Assessment Outcomes

The SRH Business Analyst joined the meeting.

27. The Business Analyst presented the Board with a high level overview of the results of the Board self-assessment exercise which had been initiated in July 2025. The Board asked for all comments received to be provided to the Board.

28. The Finance Director referred to the matter raised regarding reporting of losses and special payments and said that this is currently undertaken annually and included in the annual report and accounts. He said that he will start to commission this information periodically from the subsidiary companies and report this to the Board.

29. After discussion, the Board agreed that, in line with the procedure agreed by the Board in June 2025:

- an action plan will be prepared for the Board's approval before the end of February 2026;
- actions from the plan to be implemented with progress reports to the Board; and
- in December 2026 the Board will discuss and agree the criteria for the next self-assessment to commence in March 2027, thereafter this will be undertaken annually with consideration given to external validation.

The Business Analyst left the meeting.

30. [Redacted]

Agenda Item 6: SRH Strategy 2026 to 2031

31. The Chief Executive presented the 2026 to 2031 draft strategic plan to the Board. After discussion, the following points were noted:

- [Redacted]

32. The Chief Executive said that she would take the comments on board and send a revised version to the Board for approval. Carolyn Griffiths asked if the current strategy could also be issued highlighting the areas that have been dropped.

Agenda Item 7: Any Other Business

33. The Board noted the letter from the Minister for Public Finance dated 16 December 2025 regarding the Scottish Budget and Spending Review.

34. The Chief Executive said that a secondee from Visit Scotland would be joining the SRH team to work with SRH, ScotRail, CSL and Network Rail in the development of a tourism strategy for Scotland's railway.

35. The Chair informed the Board that a complaint had been received against SRH in relation to a job interview and he is dealing with this under the SRH external complaints handling procedure.

Date of Next Meeting

36. The next meeting of the Board will be held on Thursday 5 February 2026.