



Scottish Rail Holdings Limited (SRH)

Terms of Reference:

Group Remuneration and Appointments Committee

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Revision History

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0.1	01/12/2025	Board Secretary	Draft	For General Counsel review
0.2	23/12/2025	General Counsel	Draft	For Board approval
0.3	29/01/2026	General Counsel		Incorporating Board comments from 8 January 2026 meeting
0.4	29/04/2026	RemCo Chair		Further amendments from RemCo Chair for Board approval
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1. Purpose

The Scottish Rail Holdings Limited (**SRH**) Board and Accountable Officer have established an SRH Group Remuneration and Appointments Committee (**RemCo**) as a Committee of the Board to support in their responsibilities, and those of the ScotRail Trains Limited (**ScotRail**) and Caledonian Sleeper Limited (**CSL**) Boards, regarding remuneration, performance and appointments.

2. Membership

2.1 Other than the SRH Board Chair, who is a standing member of RemCo, the SRH Board will appoint Members to RemCo, such appointments will be noted in the Minutes of the relevant SRH Board meeting.

2.2 The RemCo will have at least three members (including the RemCo Chair) who are non-executive director Members of the SRH Board and will include the SRH Board Chair.

2.3 For financial year 2026/27 the Members of the Committee will be: Brian Baverstock (Chair), Roz Foyer and Iain Docherty.

2.4 Two non-executive director Members constitutes a quorum. In the event that the RemCo Chair is unavailable he/she will nominate another Member to chair the meeting.

2.5 The SRH Chief Executive will be a standing attendee of the Committee unless matters relating to the Chief Executive are being discussed.

2.6 Other regular attendees will include:

- ScotRail Managing Director
- CSL Managing Director
- SRH General Counsel
- SRH People and Culture Director
- ScotRail Human Resource Director
- CSL Human Resource Director

Other members of staff may be invited to attend meetings as required.

2.7 In the event that an attendee is unable to attend a Committee meeting they may with the RemCo Chair's agreement, send a delegate.

2.8 In so far as the agenda of any meeting of RemCo touches upon the affairs of any company within the SRH group of companies (SRH Group), the chair of that meeting shall ensure that at least one non-executive director of the company in question attends the meeting, whether as a Member of RemCo or as an attendee.

2.9 The SRH Board Secretary will provide secretarial support for RemCo.

3. Reporting and status

- 3.1 **Reporting:** The RemCo Chair should formally report to the SRH, ScotRail and CSL Boards after each of RemCo's meetings. The format of such reports will be a short summary of key matters, written to ensure necessary confidentiality is maintained along with an oral report highlighting key issues, risks and assurances as well as matters to be escalated to the Board. Where the RemCo Chair is not a Member of the relevant subsidiary Board, the oral report will be given by SRH General Counsel on the basis agreed with the RemCo Chair. The Committee Chair is to normally respond to the Board Secretary within five business days of receipt of draft minutes for comment.
- 3.2 **Status of Committee:** RemCo will have delegated authority on behalf of the SRH Board (and ScotRail and CSL Boards as applicable) to approve all matters within its remit as described below, save where otherwise stated. All matters approved by RemCo shall be notified to the relevant Board via the reports described above.

4. Responsibilities

- 4.1 The overall purpose of RemCo, on behalf of the three company Boards and the SRH Accountable Officer, is to ensure that remuneration and appointment arrangements support the strategic aims of the SRH Group. In doing so RemCo will ensure compliance with:

- the relevant sections on pay and performance as may be outlined in the SRH Framework Agreement and Financial Memorandum, the ScotRail and CSL Grant Agreements, SRH Group strategy and policy, and individual policies of SRH, ScotRail and CSL; and
- the Scottish Public Finance Manual (SPFM) in particular ensuring adherence to Scottish Government pay policies.

- 4.2 Specifically, the Committee will:

- consider and advise the Boards on the pay remit to be submitted to the Scottish Government, where a pay remit is required. Pay arrangements for senior staff below Chief Executive and Managing Director levels are expected to be covered by the staff pay remit;
- consider and advise the Boards on proposals for market testing, benchmarking, progression and / or regrading of staff salaries or other elements of pay or reward;
- consider the strategic implications of staff pay, expenses and reward policies including pensions arrangements for the Boards and advise the Boards accordingly;
- receive for noting, and where deemed appropriate by the SRH Chief Executive and/or CSL and SRT Managing Directors, consider and advise the Chief Executive, Managing Directors or the Boards as appropriate, on other new people policies and strategies being developed by SRH, ScotRail and CSL;

- consider and advise the SRH Board on the remuneration and terms and conditions for the Chief Executive;
- recommend to SRH Board, in consultation with the Chief Executive, the appointment, remuneration and terms and conditions or removal of the Managing Directors of ScotRail and CSL;
- approve, in consultation with the Chief Executive (and Managing Directors for subsidiary Executive Teams) remuneration and terms and conditions for the Executive Directors;
- consider and advise, the Boards in consultation with the Chief Executive (and Managing Directors for subsidiary Executive teams) appraisals and succession planning for the Executive Team;
- consider and advise the Boards, in consultation with the SRH Chair, the annual appraisal and objectives of the Chief Executive;
- consider and advise the Boards, in consultation with the SRH Chair and Chief Executive, the annual appraisal and objectives for ScotRail and CSL Managing Directors;
- review and recommend a course of action to the Chief Executive (and Managing Directors for subsidiary companies) for any proposed severance or settlement agreements, ensuring compliance with the SPFM and delegated authority limits; and
- support the Chief Executive (and Managing Directors of subsidiary companies) in any voluntary redundancy arrangements.

5. Meetings

The procedures for meetings are:

- RemCo will normally meet quarterly but may agree to adjust the frequency of meetings as business requires, timed to ensure adherence to the Scottish Government's pay policy timeline. The RemCo Chair may convene additional meetings, as they deem necessary.
- The agenda and papers for RemCo meetings will normally be circulated or made available electronically to RemCo Members five business days in advance of the meeting unless the urgency of business dictates otherwise and a lesser timescale is agreed by the RemCo Chair and the Chief Executive.
- Any of the Boards may ask the RemCo Chair to convene further meetings to discuss any matter on which they want RemCo's advice.
- RemCo may ask any or all of those who normally attend but who are not members to withdraw from a RemCo meeting to facilitate open and frank discussion of any matter.

6. Review

- 6.1 Each of the SRH, ScotRail and CSL Boards retain the discretion to consider any matter considered and/or approved by RemCo. In the event there is a disagreement between the RemCo and a subsidiary Board, the Chair of the subsidiary Board will seek to resolve this with the RemCo Chair. Where this fails to resolve the matter, it will be escalated to the SRH Chair

- 6.2 The delegated authority of RemCo will be reviewed by the relevant Board at least annually as part of the review of these terms of reference. RemCo should review its Terms of Reference each year and report the outcome to each of the boards along with any recommendations for amendment.