8. Nomination Committee report

8.1 Composition of the Nomination Committee
The Nomination Committee currently comprises four Non-Executive Directors that the Board considers to be independent, Robert Speirs (who acts as Chairman), Ewan Brown, Russell Walls and Janet Morgan. The Committee may also include, by invitation, the other Non-Executive Directors, as necessary. Brian Souter resigned from the Nomination Committee during the year.

8.2 Operation of the Nomination Committee
The Committee is responsible for evaluating the balance of skills, knowledge and experience of the Board, and where appropriate suggesting new appointments. Based on its assessment, the Committee will prepare a description of the role and the required attributes for each particular appointment. The description will include a job specification, the estimate of the time commitment expected, and the Group’s policy on Directors having other significant commitments. Potential candidates will be asked to disclose their other commitments and confirm that they will have sufficient time to meet what is expected of them. The Directors are also required to report any significant changes in their other commitments as they arise. The Committee will identify suitable candidates and make proposals for each appointment, although final appointments are the responsibility of the Board as a whole.

Non-Executive Directors receive a letter of appointment. For any new appointments, the letter of appointment will set out the expected time commitment.

No Director of the Company is currently a chairman of a FTSE 100 company.

The terms of reference of the Nomination Committee are available on the Group’s website at http://www.stagecoachgroup.com/scg/csr/corpgov/committees/nom.pdf

Robert Speirs
Chairman of the Nomination Committee
28 June 2006

8.3 Succession Planning Arrangements
The Board and the Nomination Committee recognise the importance of succession planning to ensure that the Group continues to prosper in the longer term. The Group operates a decentralised organisational structure with clearly defined limits of responsibility and authority, and oversight from head office. This structure provides the opportunity for managers to develop in some of the Group’s smaller business units before progressing to wider and more responsible roles. The Group has a history of developing good managers who have progressed to take on senior positions within the Group. The Group operates a graduate recruitment programme, and some of the graduates recruited have gone on to become Managing Directors of individual business units.

The Nomination Committee is mindful of the need to ensure appropriate succession arrangements are in place for the Directors. The Nomination Committee and the Board seeks to identify new Directors and senior managers to ensure succession of Directors is conducted in a managed way, without significant disruption to the ongoing business of the Group.

Robert Speirs
Chairman of the Nomination Committee
28 June 2006

9. Health, Safety and Environmental Committee report

9.1 Composition of the Health, Safety and Environmental Committee
The Health, Safety and Environmental Committee is chaired by an independent Non-Executive Director, Janet Morgan, and comprises one other independent Non-Executive Director, Iain Duffin, and one other Non-Executive Director, Ann Gloag who joined the Committee in June 2005. One Executive Director, Graham Eccles was also a member of the Committee until his retirement on 30 April 2006.


Janet Morgan
Chairman of the Health, Safety and Environmental Committee
28 June 2006

9.2 Operation of the Health, Safety and Environmental Committee
The Committee was established to discuss health, safety and environmental issues across the Group and to report regularly to the Board on these matters. The Committee also approves the Group’s overall strategic safety network. It has access to internal safety executives and also external consultants.

Managers from each of the Group’s key divisions attend meetings of the Committee from time to time providing the Committee with an opportunity to question and challenge management on health, safety and environmental matters.

The Committee visits operational locations to observe health, safety and environmental management in practice.

The Committee receives reports on trends in health and safety indicators across the Group as well as information on significant accidents involving the Group.

Details of the Group’s health, safety and environmental policies and activities are contained in section 3.11.4 on pages 15 and 16 of this Annual Report.

Janet Morgan
Chairman of the Health, Safety and Environmental Committee
28 June 2006