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CALEDONIAN SLEEPER LIMITED (CSL)

MINUTES OF BOARD MEETING

Wednesday 18 February 2026, 13.00 – 16.00
Pacific House / Microsoft Teams*

Present:	Hannah Ross – Chair Graham Kelly - Managing Director Graham Eastwood - Operations Director Sam Price - General Counsel Hugh Anderson – Finance Director Carolyn Griffiths – Non-Executive Director and Chair of SHEC*
In Attendance:	Jackie Robertson - SRH Rail Management Lead [redacted] – Head of Retail and Pricing (for item 12) [redacted] – Board Secretary
Apologies:	Neil Amner – Non-Executive Director, Company Secretary and SRH General Counsel

Agenda Item 1: Welcome

1. The Chair welcomed everyone to the meeting.

Agenda Item 2: Apologies and Quorum

2. The meeting was quorate.

Agenda Item 3: Declaration of Interest

3. There were no declarations of interest.

Agenda Item 4: Minutes of previous meeting

4. The Board approved the minutes of the meeting held on 21 January 2026 subject to minor amendment at paragraphs 30 and 35.

Agenda Item 5: Actions and Matters Arising

5. The Board considered the list of actions arising from previous meetings.

Action 75/2025: Confirm with CAF any change to coach cracking interim modification design life, and
Action 02/2026: Delivery programme for design life solution

The Operations Director said that the outputs from the instrumented running need to be considered and data revalidated for the yaw damper and the anti-roll bar. He confirmed that the interim modification design life is mileage based and the threshold for the first coach that was modified would be June 2027. The Chair expressed her concern that nearly one year had passed since the first interim solution was fitted and the instrumented running impacts need to be considered before a design life solution can be set, and this needs to be done urgently. She said that the programme for the delivery of the design life solution should be submitted to the Board at its March meeting.

[redacted]

The Operations Director said that a significant mitigation to the risk of the interim design life solution is the deeper non-destructive testing that is now validated.

The Finance Director confirmed that the costs for the external support for the design life solution work were included in the 2026/27 budget.

Action 01/2026: Plan for completion of secondary retention

The Operations Director said that the secondary retention fitments would be completed by the end of March bar six or seven coaches. SRH Board, at its meeting on 5 February 2026, noted that the independent review of CSL's risk management was being commissioned. The timescale for this should be reported to the CSL and SRH boards.

Action 05/2026: Room defects data

The Managing Director said CSL will audit the Alstom inspection regimes and outcomes and quantify the level of minor defects that are being picked up by guests that should have been dealt with before coaches leave the depot and report on this by end April. Carolyn Griffiths said that the data is already available and is reported to the Board in the grant agreement report. She said that she will discuss this with the Managing Director outwith the meeting and the Board agreed this issue should be on the agenda for the next meeting of the Board for further discussion.

Agenda Item 6: Grant Agreement Report

6. The Board considered the Grant Agreement report and noted the following:

- There are early signs that sales for the new Birmingham International service are strong;
- While operational performance in the period was above target it was challenged with adverse weather and class 92 locomotive issues;
- Right time boarding performance was lower than normal due to locomotive failures and driver rostering errors; and
- Period Guest satisfaction performance was disappointing, and a deeper analysis is being undertaken and will be reported to the Board.

7. The Managing Director informed the Board that a new People Director had been appointed and would commence employment with CSL on 3 March 2026.

8. In relation to berth availability, the Board noted that a full review of room availability issues over the past six months was being undertaken to identify further improvement activities and this would be completed in February 2026. The Board agreed this would be presented to the Board as soon as available.

9. The Chair referred to the safety and security KPIs and the RAG status for near misses and close calls were showing green, but both were over target. The Operations Director said that these categories will be merged for the new reporting year.

10. Carolyn Griffiths referred to the boarding delays over 15 minutes and asked for the reasons for this. The Operations Director said that a detailed table will be provided to show cause of delays in the same format as is provided for right time arrival delays.

11. In relation to the delay/repay initiative the Board noted that the update table in the grant agreement report needs to be updated. General Counsel confirmed that the changes to this initiative are with Transport Focus for consultation and then these will be published in the Guest Charter and will take effect from 1 April 2027 subject to final Transport Scotland approval following such consultation.

12. Carolyn Griffiths referred to the incident where a member of staff was spat on and asked for the member of staff to be informed that the Board is fully supportive of a zero tolerance approach to such incidents. The Board agreed and noted that this incident was reported to the police and that all staff are issued with spit kits.

13. The Managing Director said that he would report back to the Board on the reasons for the increase in period 11 from the previous year in CO_2 emissions, and going forward more details will be provided in the slide for the Board report.

14. The Chair asked for the narrative to be updated in the business plan commitments report in relation to the third party lounges. The Managing Director said that an update on [redacted] would be submitted to the next meeting of the Board.

Agenda Item 7: Financial Approvals

15. There were no approvals for the Board to consider.

[redacted]

[redacted]

Agenda Item 9: Progress Update Harper MacLeod Report Recommendations

17. The Board noted the progress report on the Harper MacLeod report recommendations and that this had been provided to the SRH Board at its meeting on 5 February 2026.

Agenda Item 10: [redacted]

[redacted]

[redacted]

[redacted]

Agenda Item 11: Finance Report

21. The Board considered the finance report. The Finance Director said that current end year estimates are showing approximately [redacted] favourable to forecast due to the Network Rail performance returns and the likely EC4T wash

up.

22. The Finance Director said that modelling had been undertaken in light of the forthcoming changes to the Network Rail performance regime and this should not have a material effect on CSL where there are delays due to third parties. However, where CSL is the cause of any delay the payment rate will double. He said the draft budget took account of this.

Agenda Item 12: Yield Discussion

The Head of Retail and Pricing joined the meeting at 14.45

23. The Finance Director gave the Board a presentation on yield analysis including:

- Variance analysis by class and route
- Yield trends by class
- Yield trends by coach type
- Pricing matrix for 2026
- Dynamic pricing, forward bookings by pricing tiers

24. The Board noted that pricing and yield will continue to be monitored closely to assess booking patterns and volume/value trends to further optimise yield and sales.

The Head of Retail and Pricing left the meeting at 15.50.

Agenda Item 13: Approvals Tracker

25. There were no outstanding approvals for the Board to note.

Agenda Item 14: Committee Updates

26. The Chair of SHEC said that the draft safety, health and environmental work plans and KPIs had been considered at the SHEC meeting on 9 February 2026 and these would be submitted to the March Board for approval.

Agenda Item 15: Any Other Business

27. General Counsel said that the Ticketing and Settlement Agreement annual letter of assurance to the Rail Delivery Group (RDG) was due to be submitted soon. He said that there were no updates required to the assurance letter from last year and asked the Board for permission to submit the letter to RDG. The Board agreed that the letter could be submitted and also sent to the Board by email.

Agenda Item 16: Date of next meeting

28. The next meeting of the Board will be held on 18 March 2026 (10.00 to 14.00).