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CALEDONIAN SLEEPER LIMITED (CSL)

MINUTES OF BOARD MEETING

Wednesday 18 March 2026, 11.00 – 13.50
St Vincent Plaza, Glasgow / Microsoft Teams*

Present:
Hannah Ross – Chair
Neil Amner – Non-Executive Director, Company Secretary and SRH General Counsel
Graham Kelly - Managing Director
Graham Eastwood - Operations Director (from 11.45)*
Sam Price - General Counsel (from 11.45)*
Hugh Anderson – Finance Director (from 11.45)*
Carolyn Griffiths – Non-Executive Director and Chair of SHEC*

In Attendance: Jackie Robertson - SRH Rail Management Lead

Apologies: [redacted] – Board Secretary

Agenda Item 1: Welcome

1. The Chair welcomed everyone to the meeting.

2. The minutes of this meeting were prepared by the Board Secretary from a recording of the meeting.

Agenda Item 2: Apologies and Quorum

3. The meeting was quorate.

Agenda Item 3: Declaration of Interest

4. There were no declarations of interest.

Agenda Item 4: Minutes of previous meeting

5. The Board approved the minutes of the meeting held on 18 February 2026. The Board approved the minutes of the joint meeting of SRH and CSL Boards held on 5 February 2026.

Agenda Item 5: Actions and Matters Arising

6. 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

The Managing Director said that he had raised the design life for the interim modification at the CAF board meeting on 16 March. CAF's current focus has been on the design for the yaw damper solution which should be agreed and introduced to fitment this coming week and thereafter focus will return to the interim modification design life. He said that he informed CAF that a commitment is needed to have this information for the next CAF board meeting which will be held prior to the next CSL Board meeting.

Action 01/2026: Plan for completion of secondary retention

The Board noted that the secondary retention fitments should be substantially completed by the end of the month, with a small number of vehicles being completed into April. The SHEC Chair said that the updated risk assessment had not been submitted to SHEC. The Managing Director said that the work has been done and he would follow this up for the risk assessment to be submitted to SHEC.

Action 02/2026: Delivery programme for design life solution

This item was tabled separately on the agenda. Close action.

Action 05/2026: Room defects data

The Board noted that the discussion with the SHEC Chair and the Managing Director had not yet taken place and that it was not listed on the agenda as requested at the previous meeting of the Board. The Managing Director informed the Board of the new audit regime being put in place with Alstom to pick up defects at the depot. He also confirmed that onboard staff do pre-boarding spot checks of a sample of berths and any issue raised should trigger a defect report which is recorded and investigated. The SHEC Chair said that consideration should be given to including in the Managing Director's report to the Board, the nature and quantum of defects raised with a delivery plan to prevent reoccurrence.

7. The Board agreed to close action numbers 06, 07, 08, 09 and 10/2026 as these had been completed or listed on the agenda.

Agenda Item 6: Union Street Fire

8. The Board noted its appreciation and gratitude to the emergency services, particularly the Scottish Fire and Rescue Service for the magnificent job in dealing with the recent fire at Union Street and stopping this from spreading to Glasgow Central Station with no injuries to the public or firefighters.

9. The Managing Director said that arrangements had been put in place for the lowlander service to run in and out of Edinburgh while Glasgow Central station was closed and the ScotRail ticket acceptance system was used to get passengers between Glasgow and Edinburgh. He said that services in and out of Glasgow Central should resume this evening. He said that CSL had been liaising with hotels in the local Glasgow area for lounge facility offerings for guests and a commercial arrangement for this should be in place for next week and good communication lines to keep guests informed are in place.

10. The Managing Director said that there has been limited impact on revenue so far with only the first two days falling under the delay repay rules and there has been no material impact on cancellations. He said that there has been some loss on perishable stock, but he does not yet have a monetary figure for this.

11. The Chair said that CSL should advocate where possible with relevant organisations on the medium and long term development of the gap site to ensure that temporary construction, for example on fencing and lighting, adds benefit to the area for CSL passengers. She said that the ScotRail Managing Director is a member of a working group set up by Glasgow City Council and CSL should also feed into that group. The Board noted that there may be opportunities in the future for CSL lounge facilities through the plans for permanent construction for the gap site.

Agenda Item 7: Grant Agreement Report

The Finance Director, Operations Director and General Counsel joined the meeting at 11.45.

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

- Period 12 delivered strong operational and commercial performance;
- Right time arrivals and right time boarding maintained MAA target;
- Berth availability was lower than target reflecting ongoing challenges. An improvement plan is in place and will run into period 13;
- Revenue and patronage were above forecast, supported by the first full period of Birmingham International

services; and

- There was one staff accident lost time incident in the period which related to an onboard member of staff's situational awareness. A welfare check is undertaken after each incident, and the Managing Director will check if this includes fatigue scoring.

13. In relation to the target on the number of staff assaults trending red, the actual number is low, and the Managing Director said that the implementation of the body worn camera initiative should assist as a deterrent for staff assaults. He said that a challenge was the assaults by persons who are not CSL guests and a deep dive on this subject had been undertaken at SHEC and current and ongoing mitigations reviewed.

14. In relation to the target for drugs and alcohol testing, the Managing Director said that CSL has met requirements for safety critical staff and will ensure that internal targets are met in 2026/27.

15. In relation to the locomotive reliability issues in the period, the Operations Director said that there were various issues which have been discussed with GBRf. He said that a deep dive on reliability will be discussed at the next meeting of the Board.

16. While right time boarding MAA maintained target, there were wide ranging levels of delay. After discussion, the Board agreed that information should be provided on actual instances of boarding delays, the reasons for the delay and mitigating actions being taken to avoid reoccurrence.

17. The Managing Director confirmed that matters are being progressed to ensure that there is an increase in the number of staff undertaking the cyber security related training.

Agenda Item 8: 2026/27 Business Plan

18. The Board considered the revised draft 2026/27 business plan.

19. The Board noted that a people resilience plan and service quality assurance were included in the business plan and that a full Best Value self-assessment had been undertaken. The Board approved the 2026/27 business plan for formal submission to Transport Scotland.

Agenda Item 9: 2026/27 Budget

20. The Board considered the budget for 2026/27.

21. The Finance Director said that it is as per the budget presented in January except for a small change in the CDEL budget [redacted], plus there is a risk to the [redacted] He said that opportunities in the revenue and cost initiatives are also now included although not yet fully quantified and CSL would continue to look for further efficiencies.

[redacted]

23. The Board approved the budget for 2026/27. This will be submitted to SRH Board for approval at its meeting on 30 March 2026.

Agenda Item 10: 2026/27 Work Plans

24. The Board considered the 2026/27 Health and Wellbeing work plan, the HSSQE work plan and KPIs, the ESG work plan, and the Audit Plan as recommended for approval by SHEC, excluding the element of the audit plan that relates to the SRH Group internal audit resource as that is considered for recommendation to the Board by the Audit and Risk Committee. The Board approved the plans.

25. In relation to the Health and Wellbeing plan, the Board noted that the plan will be supplemented with development initiatives and KPI measurements during the year which will be considered at SHEC.

Agenda Item 11: Financial Approvals

26. The Board considered and approved the two financial approval contracts noting that both had gone through compliant procurement procedures.

Agenda Item 12: Revised Risk Appetite Statement

27. The Board considered the revised risk appetite statement.

28. CSL General Counsel said that the risk appetite statement had been reviewed in line with the SRH risk appetite statement as approved by the SRH Board, and the amended version had been coordinated with ScotRail to produce a joint statement for CSL and ScotRail. He said that all previous comments from the Board had been incorporated and he would go through these with Carolyn Griffiths offline to ensure that her previous comments had been included. He said that the revised statement had been endorsed by the Audit and Risk Committee.

29. The SHEC Chair said that the risk appetite statement should refer to the principles of ALARP for safety risks. CSL General Counsel this had been discussed at the SHEC meeting on 12 March 2026 and the actions from there will be taken forward and a further iteration of the risk appetite statement will be submitted for review through the next cycle of committee meetings.

30. Carolyn Griffiths said that the risk appetite statement should also include timeframes for when the risks will be returned to within the Board appetite, for the Board's information and consideration.

Agenda Item 13: Risk Register

31. The Board considered the strategic risk register. The Board noted that actions had been agreed at SHEC in relation to safety risks which were not incorporated and would be progressed.

Agenda Item 14: Delivery Programme for Design Life Solution

32. The Board considered the delivery programme plan for the design of the lifetime solution for the anti-roll bar cracking and noted the following:

- The plan does not have a lot of contingency to meet the April 2027 deadline and this was a concern given previous delays on the interim design solution and secondary retention and fitment. Although there is potential to order materials earlier this is not without risk;
- Consideration should be given to progress the activities faster/earlier than set out in the plan;
- If the April 2027 target slips consideration of the risks associated with extending the life spans of the interim solutions will be required;
- [redacted]
- [redacted]
- Bi-monthly updates on the delivery programme plan should be provided to the Board.

Agenda Item 15: Assurance Strategy and Framework

33. The Board considered the Assurance strategy and Framework.

34. CSL General Counsel said that the Assurance Strategy had been considered and was well received by the Audit and Risk Committee. He said that assurance strategy is based on the three lines of defence model and a more detailed plan to identify and address any gaps will be prepared and submitted to the Board in due course.

35. The Chair said that assurance is needed on suppliers' insolvency management and this should be included in the strategy. The SHEC Chair said that the lines of defence should include SHEC as the committee provides assurance to the Board on CSL's management of safety.

[redacted]

[redacted]

Agenda Item 17: Finance Report

37. The Board considered the finance report.

38. The Board noted that CSL fuel is purchased from a vendor and there is no pricing protection policy in place at the current time, but this can be considered with SRH for next year.

Agenda Item 18: Approvals Tracker

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

Agenda Item 19: Committee Updates

40. The Board noted the draft minutes of the meeting of SHEC on 9 February 2026 and the draft minutes of the meeting of the Audit and risk Committee on 23 February 2026.

Agenda Item 20: Register of Interests

41. The Chair asked for the register to be revised to note that she is no longer a member of the Law Society of Scotland.

Agenda Item 21: Any Other Business

42. The Chair said that the capital investment reports required under the capital process agreed in December 2025 should be submitted to the April meeting of the Board and each Board meeting thereafter.

43. The Chair said that the insurance renewals for all three SRH Group companies were being discussed and will be submitted to the special joint meeting of SRH, ScotRail and CSL Boards on 30 March.

Agenda Item 22: Date of next meeting

44. The next meeting of the Board will be held on 22 April 2026 (09.00 to 13.00).