

1. Purpose

The Board Change Committee (the “Committee”) is responsible for providing guidance, challenge and advice to the board of directors (the “Board”) of Skipton Building Society (the “Society”) on the vision, strategy for change and the implementation of change across the Skipton Group (the “Change Programme”).

For the purpose of these terms of reference “Skipton Group” is defined as the Society and its subsidiary undertakings including the following key businesses:

- Skipton Business Finance;
- Connells;
- Skipton International; and
- Jade.

2. Duties of the Committee

Oversee on behalf of the Board the alignment of the Change Programme with the technology and people strategies and be satisfied that the Change Programme supports the wider strategy of the Society and the Skipton Group and meets the needs of the businesses as these evolve.

Provide strategic oversight of the Change Programme agenda and oversee management’s plans for the governance and use of data within the Skipton Group, including the Data Governance Strategy and Framework.

Provide oversight and challenge of:

- the progress and delivery of change initiatives within the Change Programme, including benefit realisation and business outcomes (focus on major change first);
- the overall approach adopted by change initiatives within the Change Programme, including “lessons learned” following the conclusion or closure of any change initiative; and
- the adequacy of resourcing of initiatives within the Change Programme (e.g. roles, responsibilities, skills, incentives) and business readiness and capability to leverage change across the Skipton Group.

Conduct pre-review of Board level business cases for proposed change initiatives.

Provide oversight of the adequacy, performance and management of suppliers/third party partners chosen by the Society or any subsidiary to support its chosen technologies and to support the delivery of any aspect of the Change Programme.

Consider horizon scanning of future industry trends and opportunities in technology that could affect or benefit the Skipton Group or the implementation of its strategy.

Receive assurance reports on any matters falling within the remit of the Committee and consider the adequacy of management actions in place to address any findings and issues raised.

3. Membership

Appointments to the Committee are made by the Board Nominations Committee in consultation with the chair of the Committee.

All members of the Committee shall be non-executive directors of the Society, at least one of whom shall have significant, recent and relevant experience in overseeing change programmes.

The Committee shall be comprised of at least two members, one of whom will be designated chair.

The chair of the Board Audit Committee shall be a member of the Committee.

In the event of a tied decision the chair shall have the casting vote.

The Chief Operating Officer and Group Chief Financial Officer shall have a standing invite to attend meetings of the Committee. Other individuals, such as the Group CEO, Group Chief Risk Officer, Chief Internal Auditor and Group Chief People Officer may be invited to attend all or part of any meeting to facilitate the effective operation of the Committee.

Any non-executive director may, with the agreement of the chair, attend any meeting of the Committee.

4. Quorum

Meetings of the Committee shall be quorate when they are attended by the chair of the Committee or their nominated deputy together with at least one other member.

Decisions shall be taken in accordance with the Committee’s responsibilities described in these terms of reference by a majority vote of Committee members.

A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Society’s board of directors (the “Board”).

Members of the Committee shall be deemed to meet together if they are in separate locations, but are linked by conference telephone, video or other electronic communications equipment. Such a meeting shall be deemed to take place where the largest group of members of the Committee participating is assembled or if there is no such group where the chair of the meeting is present.

5. Frequency of meetings

The Committee shall meet at least four times each year, or on a more frequent basis as agreed by the chair of the Committee.

6. Administration

The Group Secretary and General Counsel or their nominee shall act as secretary to the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

7. Authority and reporting

The Committee is a committee of the Board and has delegated authority from the Board to which it reports.

The Committee is authorised to:

- investigate any activity within its terms of reference and to commission, receive and consider reports on any change management and technology-related matters across the Skipton Group;
- obtain external legal or other independent professional advice, at the Society’s expense, as it considers necessary to undertake its duties, and to secure the attendance of any such advisers at any meetings of the Committee;
- seek any information it requires from any employee of the Society or any of its subsidiary companies in order to perform its duties; and
- delegate any or some of its responsibilities and authority as it sees fit, including to a sub-committee, in relation to specific issues and subject to reporting back to the Committee.

Minutes of the Committee shall be made available to the Board in the month following each meeting. In addition, the chair of the Committee will provide a verbal update to the Society’s next Board meeting following each meeting of the Committee on the key matters considered by the meeting. In doing so the chair shall identify any matters where the Committee considers that action, improvement or Board approval is needed, and make recommendations to the Board as to the adequacy of delivery and management actions.

8. Annual General Meeting

The chair of the Committee shall attend the Society's Annual General Meeting prepared to respond to any member questions on the Committee's activities or any matter within the remit of the Committee.

9. Other

The Committee shall review and approve any statements to be included in the Society's Annual Report and Accounts concerning the role and responsibilities of the Committee and the action it has taken to discharge those responsibilities.

The Committee shall work and liaise as necessary with other Board committees, ensuring the interaction between committees and with the board is reviewed regularly.

The Committee shall conduct an annual review of these terms of reference for approval by the Board.

Version 1.0 - dated 01 August 2023