

MINUTES OF THE 171ST ANNUAL GENERAL MEETING (AGM) OF SKIPTON BUILDING SOCIETY HELD AT THE PRINCIPAL OFFICE, THE BAILEY, SKIPTON ON MONDAY 29 APRIL 2024 AT 2.00PM AND ONLINE VIA LIVE STREAM

The Society Chair, Gwyn Burr, was in the Chair. The meeting was attended by the Board and the Secretary together with 54 eligible members of the Society. Approximately 301 members watched the meeting online via the live stream.

1. CHAIR'S OPENING REMARKS

- 1.1. The Chair introduced herself and the rest of the Board and welcomed members to the meeting, both in the room and via the online live streaming of the event.

2. CHAIR'S ADDRESS

- 2.1. The Chair addressed the meeting, reflecting on the Society's 170th year in 2023. The Society had delivered a record financial performance, and 2023 had seen the Society's highest ever number of members at 1.2m.
- 2.2. The Society had significantly invested in the business and had given back more to members than ever before. The Chair explained the two core foundations, Homes and Money, and that the Society continued to innovate as the business delivered on its priorities around helping more people to have a home, helping people save for life ahead, and helping to support long-term financial wellbeing.
- 2.3. The Chair welcomed the newest executive board member, Paul Chambers who had joined as Group Financial Officer taking over from Bobby Ndawula. She noted that Bobby and Sarah Whitney had both stepped down from the board earlier in the year and thanked them both for their commitment and contributions. She also welcomed the imminent arrival of Jennifer Wood, who would join the executive team as the Society's first dedicated Chief Information Officer.
- 2.4. An update on the Skipton Group was provided, which included Connells, the UK's largest estate agency and property services provider, Skipton International, a bank based on the Channel Islands, Skipton Business Finance, the business lending arm and Jade, the software business based in New Zealand.
- 2.5. Looking ahead at 2024, the focus would be to ensure the Skipton Group remained strong and able to weather any inevitable economic, geopolitical and environmental challenges ahead. The Chair then invited Group Chief Executive Officer, Stuart Haire to share his reflections on his first year in the business.

3. GROUP CHIEF EXECUTIVE OFFICER'S ADDRESS

- 3.1. Stuart Haire introduced himself and reflected on the establishment of a Group structure, the work undertaken to help more people buy their first home and to help people make their homes more energy efficient.
- 3.2. He took the members through the refit of a house on Regent Road owned by the Society, explaining the plans to carry out work to reduce its carbon footprint. Learnings from the exercise would then be used to help members understand the costs and environmental benefits of making their homes more energy efficient.

- 3.3. He introduced a short video which was played, where Charlotte Harrison, Chief Executive Officer of Homes Financing discussed helping more people buy their own homes.
- 3.4. Stuart Haire went on to discuss the Money business and the commitment to have competitive savings rates and a range of savings accounts. Last year, a base rate increase was passed on to members resulting in saving members receiving £148m more in interest than if they had taken the market average savings rate.
- 3.5. He introduced a short video which was played, where Andrew Bottomley, Chief Executive Officer of Money discussed savings and financial advice.
- 3.6. Looking at the year ahead, he reported on the investment in customer service, improving service standards and digital capability and upgrading the branch network, as well as innovation for first time buyers and helping people onto the housing ladder.
- 3.7. Stuart Haire talked about sustainability and introduced a short video which was played, where David Travis, Group Secretary & General Counsel discussed the steps that would be taken across the Skipton Group to be more sustainable and do their part in the wider society.
- 3.8. He then invited Paul Chambers, Group Chief Financial Officer to report on the Society and Group's financial performance in 2023.

4. **GROUP CHIEF FINANCIAL OFFICER'S ADDRESS**

- 4.1. Paul Chambers reported on the 12% increase in profit before tax, up to £333m. Market shares in mortgages had increased by 12% and in savings by 10%.
- 4.2. Looking at the businesses within the Group, Connells group delivered a profit before tax of £14m, Skipton International had made £47m, Skipton Business Finance contributed just under £10m and Jade Software made over £1m.
- 4.3. 47,000 individuals had been supported with free financial advice, funds under management had grown 10% to £4.3bn and Skipton membership had grown by over 8% in 2023 to 1.2m.

5. **MEMBERS' QUESTIONS**

- 5.1. The Chair thanked Paul Chambers and invited member's questions through the live stream, and in the room. She started by answering some member questions raised ahead of the AGM.
- 5.2. On the question of board diversity, the Chair explained that having a diverse and inclusive culture was an integral part of the values at the Society. She took the members through how the Nominations Committee reviewed board composition and acknowledged the need to balance recruiting and retaining the right people for the job, while ensuring diversity among board members. She went on to talk about board culture more generally and diversity within the colleague population, taking members through the gender pay gap results.
- 5.3. In response to a question raised ahead of the meeting on executive pay, the Chair advised that executive pay was set by the independent Board Remuneration Committee. The Committee utilised PwC, an external professional services company to advise on appropriate levels of compensation which had been benchmarked against the external market.
- 5.4. The Chair then invited members present either in the room or via the live stream to raise any questions they had that were relevant to the business of the meeting.

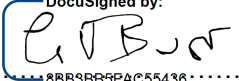
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- 5.5. An online question had been raised around whether the Society would be replaced by Group and the Chair confirmed it would not. By uniting the Group and working together in unison, it would drive benefits for members.
 - 5.6. A member in the room queried whether the Society be looking to close any branches, given branch closures seen in the industry. The Chair replied that the Society was proud to have 82 branches and there were no current plans to close any branches. The Society would continue to invest in the branch network.
 - 5.7. The Chair advised that an online question was asked around what had been done to help savers in 2023. Stuart Haire, the Group Chief Executive Officer explained that the base rate increase had been passed on to existing savers and that there were exclusive products for members as well as free financial advice.
 - 5.8. A further question online was raised around whether there would be plans to have more member specific products and Andrew Bottomley, Chief Executive Officer of Money advised that the Society was committed to continually reviewing and refreshing the suite of member specific products.
 - 5.9. A member in the room asked that for successful mortgage applicants, what percentage had been Buy-to-Let or second home applicants. Charlotte Harrison, Chief Executive Officer of Homes Financing advised that it continued to be a moving picture and historically one fifth had been Buy-to-Let. The Society did not lend on second homes and had been tracking currently at 10% below market average.
 - 5.10. An online question was raised around whether the Society would look at acquisitions and Stuart Haire replied that the Society was focused on investing in the business and not currently in the market for inorganic acquisitions.
 - 5.11. In response to a question from a member in the room around whether the board members standing for election had sufficient time to commit to the role, given the recent post office enquiry, the Chair reported that as a regulated business, strict rules applied around the number of boards a board member could sit on. The Chair was comfortable that there were no issues around time commitment on the board.
 - 5.12. An online member asked how many borrowers the Society had, and the Chair confirmed 283,847.
 - 5.13. A member in the room asked whether the AGM would continue to be held in the afternoon and the Chair advised that moving it to the afternoon brought it in line with the vast majority of AGMs and the Society intended to keep the AGM in the afternoons going forwards. She noted that the meetings would be recorded so members unable to join could watch it back at their leisure.
 - 5.14. Following a question online around how to arrange an Energy Performance Certificate (EPC) check, Charlotte Harrison directed the member to the Skipton.co.uk website from which a link to the EPC check could be accessed.
 - 5.15. Stuart Haire explained the security and operational resilience measures, and benefits of moving the storage of data to the Cloud following a question from a member in the room around Cloud security.
 - 5.16. The Chair thanked all members for their questions.

6. RESOLUTIONS

- 6.1. The Chair advised that the board recommended that members voted in favour of all the resolutions and read each of the resolutions, as listed on the notice of meeting and noted below.

Resolution 1	To receive the Annual Report & Accounts
Resolution 2	To re-appoint Ernst & Young LLP as auditors
Resolution 3	To approve the Directors' Remuneration Report for the year ended 31 December 2023
Resolution 4.1	To elect Paul Stuart Chambers
Resolution 4.2	To elect Steven James Davis
Resolution 4.3	To re-elect Andrew Paul Bottomley
Resolution 4.4	To re-elect Gwyneth Victoria Burr
Resolution 4.5	To re-elect Iain Alexander Cummings
Resolution 4.6	To re-elect Stuart Arthur Haire
Resolution 4.7	To re-elect Denis Arthur Hall
Resolution 4.8	To re-elect Heather Louise Jackson
Resolution 4.9	To re-elect Mark Joseph Lund
Resolution 4.10	To re-elect Philip Wynford Moore

- 6.2. She asked members in the room and online to record their votes. The votes completed in the room were collected and she confirmed that the scrutineers would then conduct the counting of the votes.
- 6.3. Whilst not a formal item of business, members had also been invited to help choose the next charity partner from three short-listed charities Age UK, Barnardo's and Depaul UK. Due to the large number of votes already received, the Chair announced Age UK as the Society's new charity partner, noting that the charity would receive over £2m over a three-year period and would focus on helping underrepresented members of society to have access to a safe and secure place to call home.
- 6.4. The Chair declared the business of the meeting concluded and the meeting closed.
- 6.5. Preliminary results from votes completed online had been shared on screens in the room and online. The Chair noted that the preliminary results which had all been over 90% in favour of each resolution, demonstrated that an overwhelming majority of members were supportive of the board and its current business strategy for success. She advised that the final results would be published on the Skipton.co.uk website the following day and displayed in branches.
- 6.6. She invited members in the room to meet the directors and thanked members both in the room and via the live stream for their time and continued support of the Society.
- 6.7. The Chair then closed the meeting.

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 Gwyn Burr - Chair