

BOARD GOVERNANCE AND NOMINATIONS COMMITTEE REPORT

A word from the Board Governance and Nominations Committee Chair

As Chair of the Committee, I am pleased to share this report on our work throughout 2025.

As a Committee, we are focused on ensuring that the Board's composition and our governance structures support our Purpose and make a real difference for our members and the wider community. Our work is guided by our commitment to delivering value for our members and ensuring their interests are reflected in Board decisions and governance structures.

Succession planning remained a top priority for our Committee in 2025. Two Non-Executive Directors stepped down during the year and we welcomed Elaine Bucknor to the Board following a thorough recruitment process overseen by the Committee. Elaine brings a wealth of experience covering areas including technology transformation and growth and spearheading cybersecurity. She also brings a fresh perspective that will be invaluable as we evolve and meet our members' changing needs. Having served three years as our Board Remuneration Committee Chair, Debra Davies will be stepping down from the Board following the AGM. She will be succeeded by Janet Pope who has been a member of the Committee for more than 12 months.

We are well progressed towards appointing one or two more Non-Executive Directors. We have embraced a new approach by partnering with Nurole online Non-Executive Director platform, reinforcing our ambition to remain a forward-thinking mutual. This helps us to reach a broader pool of talented individuals who can make a real difference to our Board and Committees. Our aim is to ensure stability and continuity, whilst also injecting fresh perspectives into the Board to support the delivery of our Strategy. It is possible that for a short period we may fall below the minimum of nine Board directors as set out in the Society's Rules but we expect that to be normalised in the next few months.

We understand the importance of our role in overseeing executive succession planning to ensure the long-term success of the Society.

We know that thoughtful succession planning is not just about filling roles, it's about ensuring our Society's continued strength and stability, now and for years to come and ensuring we have the right people to support a modern Society. Throughout 2025, we've focused on the work being done to build a strong and diverse pipeline of talent for key positions in our senior leadership team.

I am pleased to say our first Board Fellow will have completed a full year in the role in February 2026. This role has not only provided valuable, hands-on experience for the Fellow but it has also enriched our Board discussions with fresh perspectives. It's inspiring to see how this opportunity is helping to shape a future leader.

Our new Board and Committee governance structure was introduced at the beginning of 2025 following the work we reported in the Annual Report and Accounts for 2024. We have continued to monitor progress throughout 2025 to ensure that the improvements have taken root and are making a positive impact, allowing our Board to focus on key areas of strategic oversight whilst our Committees do the deep dives in their areas of expertise. As part of this journey, our Committee has embraced a broader role, now overseeing the governance of our Society's subsidiary companies and executive governance. This expanded responsibility is all about building strong and meaningful connections between our Board, executive teams and the wider Group, ensuring we work seamlessly together for the benefit of our members and customers. It was heartening to see from our 2025 Board Effectiveness Review that the new governance structure is working well and we will continue to hone this in 2026.

As a Committee we understand the importance of our role in overseeing the approach to Board and Committee training and development. Our commitment to being a modern, learning-focused Board means we encourage continuous learning and development to support both individual growth and for the benefit of our Society as a whole.

As we look ahead to 2026, the Committee remains committed to ensuring there continues to be a Board and Committee structure that truly reflects the evolving needs of our Society. Our focus will be on ensuring we have a diverse and dynamic team that supports the delivery of our Purpose and champions the interests of our members and key stakeholders.

Annemarie Durbin

Board Governance and Nominations Committee Chair

25 February 2026

Board Governance and Nominations Committee members and meetings

The members of the Board Governance and Nominations Committee are:



Annemarie Durbin
Board Chair



Angela Darlington
Board Risk Committee Chair
Vice Chair
from 1 January 2026



Mark Parsons
Senior Independent Director

Guy Bainbridge (former Vice Chair) was a member of the Committee to 31 December 2025 when he stepped down from the Board.

Our Board appoints members to the Committee and all members are independent Non-Executive Directors, with the exception of the Board Chair who was considered independent on appointment in accordance with the UK Corporate Governance Code (the Code).

You can find out more about the skills, qualifications and experience of the Board Governance and Nominations Committee members in the Our Board and Executive Team section.

Only members of the Board Governance and Nominations Committee are entitled to attend its meetings, although others may be asked to attend all or part of a meeting. The Chief Executive, Chief People Officer and Group Secretary are usually invited to attend each meeting, although they are recused for any matters which may relate to them.

In 2025 the Committee held four scheduled meetings and one ad-hoc meeting to discuss Non-Executive Director recruitment.

Details of the number of scheduled Committee meetings attended by each member is available in the Corporate Governance Report.

The written resolution process was not used during 2025.

Board Governance and Nominations Committee responsibilities

The key responsibilities of the Board Governance and Nominations Committee include:

- Reviewing the Board's structure, size and composition, considering succession plans, diversity, key skills and experience.
- Overseeing succession planning for the executive and senior leadership teams, including the development of diverse pipelines.
- Agreeing the annual evaluation process for the Board and its Committees.
- Overseeing the appointment process for Non-Executive Directors, Executive Directors and other key Board roles.
- Agreeing the annual Board Training Plan for the Board.
- Reviewing governance arrangements and monitoring corporate governance developments.
- Reviewing and recommending the Directors and Chief Officers Conflicts of Interest Policy for approval and monitoring potential conflicts.
- Reviewing and recommending the Board Diversity Statement for approval.
- Overseeing subsidiary and executive level governance.

Further detail on the role and responsibilities of the Committee can be found in the Terms of Reference which are available on our website.

The Terms of Reference of the Board Governance and Nominations Committee are reviewed annually to ensure it continues to fulfil its responsibilities and meets regulatory requirements and good practice. To allow for any changes identified in relation to the review of Board and Committee Terms of Reference as part of the Board and Committee Effectiveness Reviews, more details of which are set out in this report, the approval of the latest annual Terms of Reference reviews will be completed in Quarter 1 2026 (which aligns with the implementation of the current Terms of Reference in January 2025). Throughout 2025, the Committee fulfilled the requirements of its Terms of Reference, with particular emphasis on the following areas:

- Board composition and succession, including the impact of changes on our Board.
- Chief Officer and senior leader succession planning.
- Effectiveness of our Board and Committee architecture.
- Diversity and inclusion of our Board and the development of a diverse talent pipeline.
- Board and Committee effectiveness including oversight of our Board Effectiveness Action Plan.

The Committee is committed to ongoing development and learning and receives regular updates in relation to Corporate Governance developments. Specific training sessions are arranged if required, such as when there are significant changes in Code requirements.

Board Governance and Nominations Committee Effectiveness Review

In 2024 the Committee completed an internal effectiveness review and identified the following actions which were incorporated in the Committee's work in 2025:

Area for Focus	Update
Continued oversight of Executive Succession	Executive Succession has been a key area of oversight during 2025 ensuring there are robust plans in place. The Committee received regular updates to assist in its oversight of Executive Director and Critical Director succession and the development of diverse talent pipelines during 2025.
Oversight of the effectiveness of the new Board and Committee Architecture	Following the implementation of the Board and Committee Architecture changes in January 2025, the Committee has monitored the effectiveness through the Board Effectiveness Action Plan together with an internal review after six months. The final steps are an externally facilitated review which will support any further actions for the Board Effectiveness Action Plan in 2026.
Development of its new role in respect of Executive Governance oversight	The Committee received its first report to support its oversight of executive governance in July 2025 and will continue to develop this role into 2026 to ensure appropriate links between Board and executive level governance.

For 2025, the Committee undertook an internal effectiveness review based on a questionnaire approach. The outcomes of the review were considered at its meeting in January 2026. There were no urgent or significant actions, however, the Committee has identified the following areas for focus during 2026:

- Oversight of the next phase of work in relation to Executive Succession.
- Continuing the close monitoring of Board Committee composition, taking into account Board changes in 2026, to ensure that composition remains effective.
- Next steps in relation to the development of Executive Governance oversight.

Corporate governance

The Board Governance and Nominations Committee is responsible for ensuring that the Society operates within a robust corporate governance framework. Throughout 2025 the Committee undertook a range of activities to support this, including:

- Conducted an annual review of the Society's compliance with the Code (as it applies to a building society) to support its approval of the Corporate Governance Report for the Annual Report and Accounts.
- Reviewed and recommended the Corporate Governance Report for inclusion in the Annual Report and Accounts.
- Reviewed and recommended the Board Governance and Nominations Committee's Report for inclusion in the Annual Report and Accounts.
- Monitored any corporate governance developments during the year such as changes to the Building Societies Act which came into force at the start of the year.
- Monitored delivery of the Board Effectiveness Action Plan throughout 2025, ensuring it continued strengthening the Board's governance framework.
- Reviewed the implementation of changes to the Board and Committee Architecture introduced at the start of the year, confirming their effectiveness in enabling the Board to focus on the key strategic issues, with the Committees supporting in their areas of responsibility.
- Following the Board and Committee Architecture review, assumed responsibility for Board level oversight of subsidiary and executive governance, ensuring strong and effective links between the Board, executive governance and the wider Group.

These activities demonstrate the Committee's commitment to maintaining high standards of corporate governance, supporting the Board's ability to deliver on its strategic objectives and ensuring effective oversight across the Society.

Succession planning

The Board is committed to maintaining the right composition now and in the future to provide effective oversight and support the delivery of our strategy and Purpose. The Board Governance and Nominations Committee works to ensure the Board and its Committees have the appropriate composition, diversity and skills mix.

The Committee ensures that effective succession plans are in place to manage Board continuity during periods of transition, especially for key roles. This includes planning for future Non-Executive Director recruitment to meet the Board's ongoing and future skills needs.

The Committee uses a range of information sources to support its succession planning work, including:

- Directors complete a self-evaluation of their skills and experience for the Board Skills Matrix. The Committee uses this information to plan for succession and recruitment, ensuring the Board and its Committees have the necessary skills.
- The Board and Committee Membership and Key Non-Executive Director Roles document lists current Board Committee membership, outlines composition, and identifies any future needs.
- The Board Diversity Statement and Diversity Data demonstrate the Board's commitments to inclusion and diversity.
- The Non-Executive Director Succession Timeline details appointment dates, terms of office and expected retirement dates for Non-Executive Directors, including succession plans for key roles.
- The Contingency Planning Procedure ensures the Committee has plans for unexpected circumstances outside normal succession planning.
- The Chief Officer and Critical Director Succession Plans give the Committee oversight of the senior talent pipeline and helps identify opportunities or risks.

In 2025 the Committee continued to oversee succession planning for Executive and Non-Executive Directors. As two of our Non-Executive Directors, Dina Matta and Guy Bainbridge, left the Board in 2025 there has been a focus on ensuring appropriate succession for their skills and experience. As a result, a recruitment process was completed during 2025 for a new Non-Executive Director and we are now well progressed on a new phase of recruitment, further details of which are set out in the next section.

There has been a particular focus on ensuring that robust succession planning is in place for our Executive Directors, both the Chief Executive and the Chief Financial Officer, taking into account the skills required for our modern Society now and in the future. This has included ensuring we are building a strong and diverse internal talent pipeline as well as maintaining visibility of external talent.

Recruitment of Non-Executive Directors, Executive Directors and key Board roles

The Committee leads the recruitment of new Executive and Non-Executive Directors on behalf of the Board, ensuring robust recruitment and appointment processes are followed. All recruitment is undertaken following consideration of succession plans and the current and future composition requirements of the Board and its Committees.

Non-Executive Directors

In 2025 a recruitment process was completed for a Non-Executive Director, with a focus on key skills in relation to technology, transformation, and cybersecurity. This was to further strengthen the Board's composition in those areas following Dina Matta's departure in October 2025.

To support the process, a person specification was agreed outlining the key requirements for the role. A comprehensive recruitment process was undertaken which included:

- Appointing a recruitment firm to conduct the search.
- Identifying a long and short list of potential candidates.
- Conducting extensive candidate interviews with the Board Chair, members of the Board Governance and Nominations Committee and other Non-Executive Directors.
- Holding meetings with key members of the Executive Team, including the Chief Executive and Chief Operating Officer.

As a result, the Committee recommended the appointment of Elaine Bucknor to the Board as a Non-Executive Director. Ms Bucknor is a highly accomplished senior leader and technology executive who has brought an exceptional blend of technological insight, strategic leadership, and cybersecurity expertise to the Board.

Korn Ferry was appointed to lead the search process. They previously assisted in the recruitment of the Chief Executive in 2022 and provided pro bono support for the recruitment of a Board Fellow in 2024.

In November 2025 the Committee started a new recruitment process to identify one or two Non-Executive Directors to join the Board in the coming months. In order to attract the widest pool of talent, we appointed Nurole, an online recruitment platform, to conduct the searches. Nurole have not previously worked with the Society at an executive level.



Board Fellow

A recruitment process for a Board Fellow was completed in 2024 and our new Fellow joined us and attended their first Board meeting in February 2025. The role has been very successful and not only provided the Fellow with valuable practical experience of how the Board operates but has also brought the contribution of fresh insights to Board discussions.

Executive Directors

There were no recruitment exercises undertaken for Executive Director appointments during 2025.

Details of the induction process for Non-Executive and Executive Directors are set out in the Corporate Governance Report.

Board diversity

We place great importance on having an inclusive and diverse Board and workforce. Our Board has agreed a Diversity Statement to support this ambition, which is reviewed by the Board Governance and Nominations Committee and approved by the Board each year.

A summary of progress against the key aspects of the Diversity Statement is set out below:

Only candidate search and specialist recruitment agencies that have signed up to the Standard Voluntary Code of Conduct for Executive Search Firms will be used for the appointment of Directors, and we prefer to use those signed up to the Enhanced Code.

Korn Ferry was appointed to lead the search process for a Non-Executive Director in 2025. Korn Ferry has signed up to the Voluntary Code of Conduct for Executive Search Firms.

Nurole was appointed to lead a new search process in November 2025. Nurole has signed up to the Voluntary Code of Conduct for Executive Search Firms.

At least 40% of the Board should be women.

The percentage of women on the Board as at 31 December 2025 was 60% and exceeded the target.

Following Guy Bainbridge's departure from the Board on 31 December 2025, the percentage of women on the Board as at 25 February 2026 is 67%.

For prior years see the Board Composition section of the Corporate Governance Report.

At least one of the senior Board positions (Chair, Chief Executive Officer (CEO), Chief Financial Officer (CFO) or Senior Independent Director (SID) should be a woman.

As at 31 December 2025 (and as at 25 February 2026) both the Board Chair and Chief Executive positions were held by women and as such the target was met.

At least one member of the Board should be from an ethnic minority background excluding white ethnic groups (as set out in categories used by the Office for National Statistics).

There was one member of the Board from an ethnic minority background as at 31 December 2025 (and as at 25 February 2026) and, as such, the target is being met.

We will continue to work to further increase Board diversity in order to enhance our effectiveness. We want to embrace the talents of people from all backgrounds including those with differing characteristics, for example those who identify as LGBTQIA+ (Lesbian, Gay, Bisexual, Transgender, Queer (or Questioning), Intersex and Asexual+), those with a disability, be that physical or hidden, and those from lower socio-economic backgrounds.

Our Board places great emphasis on ensuring its membership reflects diversity in its broadest sense. We consider demographics, skills, experience, race, age, gender, disability, educational and professional background, and other relevant personal attributes. An initial assessment of social mobility and our Board's composition aligned broadly with the broader colleague base of our Society. It is also recognised that there are various other aspects of non-visible diversity on our Board.

By maintaining a balance of these factors, the Board can provide the range of perspectives, insights and challenge needed to support good decision making.

The Board Governance and Nominations Committee regularly reviews the composition of the Board to ensure that it has the balance of skills, experience, independence and knowledge through its diverse composition to remain effective.

Diverse talent pipelines

As part of its role, the Committee oversees senior leadership succession plans and the diversity of the talent pool for future vacancies. Strong progress has been made in relation to gender, however, more work is needed in relation to ethnic diversity which will remain a focus going forward.

We have signed the HM Treasury's Women in Finance Charter and are committed to improving gender balance, particularly at senior levels in our organisation. For further information, we had the following percentages of women colleagues at 31 December 2025 (and for comparison 2024):

	31 December 2025 %	31 December 2024 %
Executive Committee	37.5%	28.6%
The Leadership Team immediately below our Board (as set out in the UK Corporate Governance Code)		
Senior Managers	48.1%	47.3%
Our colleagues in roles Grade E and above (excluding G) (in accordance with our commitments under the Women in Finance Charter)		
All Colleagues	59.1%	59.7%

For more details on our colleagues and inclusion and diversity please see the Strategic Report.

Board and Committee Effectiveness Reviews

The Board Governance and Nominations Committee agrees the annual effectiveness review process for the Board and its Committees.

In line with the requirements of the Code, which requires an external review every three years, the Board undertook an external effectiveness review in 2023. This was followed by an internal review process in 2024. Continuing this cycle, it was agreed that an internal effectiveness review would be completed in 2025. An internally facilitated questionnaire has been used to focus on gaining granular feedback on the current state and effectiveness of the Board and its Committees together with areas for improvement.

We have also undertaken an externally facilitated review of Board and Committee Architecture following its implementation during 2025 to ensure there are no further areas of improvement or best practice to be considered. The combination of both reviews will form the basis of our Board Effectiveness Action Plan for 2026.

Further details on the approach to the review can be found in the Corporate Governance Report.

Board Chair

Our Senior Independent Director meets with our Board Chair formally twice a year on behalf of our Board to review the Chair's performance. The review incorporates feedback from key stakeholders including the Executive and Non-Executive Directors.

The annual review for 2025 was completed by Mark Parsons, the Senior Independent Director. The outcomes were reported to the Board meeting in January 2026 without the Board Chair present.

Non-Executive Directors

The Board Chair has meetings with each Non-Executive Director twice a year to review their performance, discuss any areas for development and review ongoing time commitment.

Executive Directors

Executive Director evaluations are carried out by our Chief Executive (or the Board Chair in the case of the Chief Executive) against agreed objectives.

The Board Chair meets with the Non-Executive Directors at least once a year to discuss the performance of management and the Executive Directors.

Annemarie Durbin

Board Governance and Nominations Committee Chair

25 February 2026