



A word from the Chair of the Board

As Board Chair, it is a pleasure to share this year's Corporate Governance Report with you.

Our Board is united by a shared commitment to the Society's success and at the heart of this is our mutuality. It is what helps us to deliver our Purpose for our members both now and in the future.

We work hard to ensure that the Society is well governed. We are genuinely proud of the way we govern our Society. Our governance framework is based on the best practice set out in the UK Corporate Governance Code (the Code) published by the Financial Reporting Council (FRC). In this report we share how we have complied with the Code in 2025 (as it applies to a building society), highlighting the Board's role and key activities during the year.

Our Board composition and other roles

In 2025 we said goodbye to two valued members of our Board. Dina Matta stepped down in October 2025 after more than four years of service, and Guy Bainbridge, our Vice Chair, left the Board in December 2025 after over six years. We would like to thank them both for their considerable contributions to the Board over their respective years of service.

We were delighted to welcome Elaine Bucknor to the Board in September 2025. Elaine brings a wealth of experience covering areas including technology transformation and growth and spearheading cybersecurity. She brings a fresh perspective that will be invaluable as we evolve and meet our members' changing needs.

Following the retirement of Guy Bainbridge, Angela Darlington assumed the roles of Vice Chair and Whistleblowing Champion and Elaine Bucknor became our Non-Executive Director for Workforce Engagement with effect from 1 January 2026.

As we look ahead through 2026, Debra Davies will leave the Board and step down as the Society's Board Remuneration Committee Chair following the Annual General Meeting (AGM) after three years of service. On behalf of the Board, I would like to extend our sincere gratitude to Debra for her significant contribution during her tenure and for her effective leadership of the Board Remuneration Committee.

In line with our commitment as a modern mutual, we regularly review Board succession to ensure we maintain the appropriate mix of skills and experience needed to support the Society's long-term strategic plans. Succession plans for the Board Remuneration Committee Chair are in place and, subject to regulatory approval, Janet Pope will succeed Debra as Board Remuneration Committee Chair.

To broaden our reach and attract diverse talent, we are partnering with the Nurole online Non-Executive Director platform, reinforcing our ambition to remain a forward-thinking mutual. We are well progressed in identifying one or two Non-Executive Directors to join the Society in 2026. While the timing of these transitions may temporarily reduce the Board size below our minimum of nine Directors set out in our Society Rules, we are focused on ensuring we appoint the best people to the Board.

Tom Ranger resigned as Chief Financial Officer in February 2026. He will continue to fulfil his role while we conclude the search for his successor. We thank Tom for his contribution to the Society and wish him well in his future career.

In February 2025 we welcomed our new Board Fellow, a role designed to help develop a broader, deeper and more diverse pool of future leaders in the UK. While the position doesn't carry the legal responsibilities of a director, it offers individuals the experience of working with the Board and has also brought a valuable perspective to our discussions.

Board activity in 2025

As a Board it is our responsibility to approve the Society's strategy and culture and to oversee execution of the Society's strategic plans. As a responsible Society, the strategy is built on maintaining strong financial foundations, enabling us to continue to serve member and customer needs over the long term. Our strategic leadership is supported by strong governance, genuine engagement with our stakeholders and effective management of risk.

What truly unites us as a Society is our Purpose to provide Real Help with Real Life. 2025 has been a reset moment when we have reaffirmed and sharpened what that means for YBS and its members, setting a clear direction for our future. This journey has involved input from a wide range of participants, including colleagues from across the business, members, and prospective customers. This has been invaluable in informing recommendations and supporting Board discussions and decision making.

Members sit at the heart of our sharpened Purpose, reflecting our long-term commitment to delivering meaningful value for our members. In 2025 we took time to explore what Member Value truly means in the context of our Purpose, listening to colleagues, members, and customers to shape a shared understanding.

This year we've placed real emphasis on embedding our new Board and Committee Architecture, building on the in-depth review we carried out in 2024. This has ensured the Board can focus on key strategic topics, while the Committees have been able to dive deeper into the details within their areas of expertise. One important change has been the introduction of our 'Reconvened Board Risk Committee' which all Board members attend (whether they are a member of the Board Risk Committee or not) to discuss key topics such as capital, liquidity, and stress testing. Our new Board Environmental and Social Purpose Committee, established in January 2025, has been developing its role during the year, supporting the Board's oversight of the sustainability agenda.

During 2025, the Board approved the five year Corporate Plan, and the ongoing investments needed to deliver on that (the OnePlan). We also continued to oversee execution of the Society's strategic priorities and monitor key risk areas, with the support of the Board Risk Committee, making sure we remain financially strong and resilient in all areas, including cybersecurity and business resilience.

Promoting an ambitious culture is one of our strategic priorities and as a Board we are deeply committed to ensuring that, together with our behaviours, it is embedded throughout the Society.

Board effectiveness and ongoing development

During 2025 we've continued to ensure our new Board and Committee Architecture structure remains effective, making sure as a Board we are focused on what matters most for the Society's long-term success. We are also committed to continue learning and growing together as a Board. Rather than just relying on our existing skills and experience, we're committed to ongoing training and development.

This spirit of continuous learning will remain at the heart of what we do in 2026, as we continue to adapt to changes in the external environment and the needs of our members now and in the future.

Stakeholder engagement

We are grateful for the ongoing engagement of our members and colleagues, whose feedback helps shape a stronger, more resilient Society for the future. The Board is truly committed to listening and engaging with our stakeholders, supported by dedicated Non-Executive Director Champions for Members and Colleagues. In 2025, colleague engagement sessions provided honest and valuable insights into the highlights and challenges of their work and showed us the real impact our efforts have on members, customers and each other.

On a personal note, I was delighted to join a Colleague Forum alongside our Non-Executive Director for Workforce Engagement during 2025, Angela Darlington. We explored the evolving role of artificial intelligence (AI) within our Society and the conversation was a wonderful chance to hear directly from our colleagues.

Each year the AGM is a vital opportunity to connect with our members. We were pleased to welcome everyone, whether in person or online. It is important to us that members have every opportunity to join in and share their thoughts and valuable feedback.

Throughout the year, Board members have also taken the opportunity to gain insights from our members, whether through call listening or visiting branches in person. Feedback from these visits supports decision making and helps us continually improve member experience.

As Board Chair I also recognise the importance of engaging with our external stakeholders as part of my role in supporting the Society's long-term interests for the benefit of our members. I've enjoyed sharing ideas at industry roundtables and conferences and I'm proud to make sure the Society's voice is heard on important issues like regulatory change.

I'm a passionate advocate for fostering diverse, inclusive, and healthy workplaces alongside providing opportunities for colleagues to learn and grow through being mentored.

2026 and beyond

Looking ahead, as a Society we have a clear Purpose and strategy underpinned by investment in things that will make a real difference. We are seeing encouraging changes, like real-time inbound faster payments and improvements to our digital app and applications process, that make life easier for our members. For 2026 the Board's focus will be overseeing the implementation of the strategy in a way that delivers meaningful value for members as well as delivering for our various other stakeholders.

Annemarie Durbin
Chair of the Board
25 February 2026

Governance > Corporate Governance Report

Corporate Governance Statement

For the 2025 financial year we have applied the principles and complied with the provisions of the Code published in 2024 (available on the Financial Reporting Council’s website frc.org.uk) to the extent relevant to building societies (and in accordance with guidance issued by the Building Societies Association (BSA) Guidance available at bsa.org.uk).

As a mutual organisation we do not have shares or shareholders therefore provisions relating to references to long-term shareholdings in relation to remuneration (Provision 36) do not apply. We do, however, seek to apply the provisions of the Code that reference shareholders as appropriate to our members and in accordance with the BSA’s guidance.

Board and Committee architecture

| Board | |
|--|--|
| Chair: Annemarie Durbin | |
| Collectively responsible for the long-term success of the Society. | |
| Board Committees | |

The Board delegates certain matters to Board Committees to provide focused oversight of those areas within their roles and responsibilities.

| Board Remuneration Committee | Board Audit Committee | Board Risk Committee | Board Governance and Nominations Committee | Board Environmental and Social Purpose Committee |
|--|--|---|---|---|
| Chair: Debra Davies | Chair: Peter Bole | Chair: Angela Darlington | Chair: Annemarie Durbin | Chair: Janet Pope |
| Oversees the development and implementation of the Remuneration Policy for all colleagues. | Reports to the Board on financial reporting, internal controls and risk management systems, Internal Audit and External Audit. | Oversees Prudential Risk, Operational Risk and Conduct Risk, Risk Strategy, Appetite and Oversight. | Oversees Board governance, including composition, succession and appointment processes for the Board. | Oversees the Society’s environmental and social purpose agenda. |

The Board’s Schedule of Matters Reserved and Terms of Reference of its Committees are available on our website.

In addition to our five core Board Committees, the Board may also be supported by committees which are established as needed to allow dedicated time and focus for specific topics.

Board roles and responsibilities

Our Board is collectively responsible for the Society’s success and long-term sustainability. They are committed to acting in the best interests of our existing and future members while listening to our other key stakeholders and the wider community, as set out in Section 172 of the Companies Act 2006.

Further details of how we do this can found in the Section 172 Statement in the Directors’ Report.

The key decisions and matters reserved for the Board’s consideration are detailed in the Schedule of Matters Reserved to the Board. These include, but are not limited to, approval of the Society’s strategy, Purpose, behaviours and desired culture.

For more insight into the work of our Board during 2025 see the Our Board’s activities in 2025 section in this report.

The Board is supported by a robust governance framework, including:

Board and Committee Architecture

The Board and Committee governance structure supports effective decision-making, ensuring it aligns with the Society’s Purpose and strategy. In 2024, a review of the Board and Committee Architecture was conducted to ensure an appropriate structure was in place to provide oversight of the Society’s strategy. The outcomes were implemented and embedded during 2025.

Board composition

Ensuring the Board and its Committees remain fit for purpose, with the right skills and experience, enables it to continue to be effective and work for the long-term success of the Society for our members and customers. This is supported by strong succession planning and ongoing reviews of Board composition by the Board Chair and Board Governance and Nominations Committee.

Risk management

Ensuring continuous identification and review of principal business risks and their potential impact on the Society’s Purpose and long-term success, taking into consideration the agreed risk appetite.

Further details can be found in the Strategic Report and Risk Management Report.

Strategy and Purpose

Ensuring the Society has a clear direction which enables it to address current and future opportunities and challenges.

Further details can be found in the Strategic Report.

Stakeholder Engagement

Engagement with and participation from key stakeholders, such as our members and colleagues, supports decision making and the long-term success of the Society for our members.

Sustainability

Our sustainability commitments and goals support the delivery of our Purpose with our oversight provided by the Board Environmental and Social Purpose Committee.

People

Ensuring policies and procedures are consistent with the Society’s strategy, Purpose, and behaviours.

Culture

An ambitious culture and strong behaviours which support the delivery of our Purpose and strategy.



Compliance

Good corporate governance ensures that we meet legal and regulatory requirements and avoid any consequences of not doing so.

Brand and reputation

A clear and effective framework of corporate governance provides confidence to our stakeholders, supporting a positive brand reputation.

Fit for Growth

Ensuring that the Society is capability led.

Finance

Ensuring strong capital and liquidity management.

Climate governance

Our climate governance structure was strengthened in 2025 through the establishment of a new Board Environmental and Social Purpose Committee. This committee is chaired by Janet Pope, who was appointed to the Board as a Non-Executive Director in October 2024.

For further information on Janet’s background, see the Our Board and Executive Team section of the Governance Report.

Additionally, Fiona Cannon joined us as Lead Strategy and Sustainability Officer and was subsequently appointed Chief Strategy and Sustainability Officer in August 2025, with full executive responsibilities. Fiona remains Executive Committee sponsor for overarching sustainability reporting.

Our Board has ultimate accountability of financial risks for climate change and the associated responsibilities. It delegates to the following committees:

| Board level | | Executive level | |
|--|---|---|---|
| Board Environmental and Social Purpose Committee | | Executive Environmental and Social Purpose Committee (Formerly Environment, Social and Governance Committee) | |
| Role: Delegated authority from the Board to support the Board in overseeing the environmental strategy. | Key 2025 activities: Approved the acceleration of our scope 1 and 2 Net Zero transition target from 2035 to 2030, alongside oversight of the Net Zero Transition plan. | Role: Delegated authority from Executive Committee to support in overseeing the environmental strategy. | Key 2025 activities: Approved Net Zero transition plans. |
| Board Risk Committee | | Executive Risk Committee | |
| Role: Provides oversight of climate risk and sets the Group’s risk appetite in relation to climate-related exposures. | Key 2025 activities: Received six-monthly formal updates on climate-related work and progress. | Role: Responsible for managing the governance framework for climate risk, ensuring it is embedded within the Society’s overall risk management approach. | Key 2025 activities: Received key climate risk maturity update. Climate risk is now reported in the Chief Risk Officer report. |
| Board Audit Committee | | Asset and Liability Committee | |
| Role: Oversees non-financial climate disclosures, ensuring transparency and alignment with regulatory expectations. | Key 2025 activities: Oversaw the external environmental disclosures in the ARA and Sustainability Report. | Role: Focuses on the financial risks associated with climate change, including balance sheet impacts and scenario modelling. | Key 2025 activities: Reviewed climate-related content for the Society’s ICAAP and ILAAP. |
| | | Retail and Commercial Credit Risk Committee | |
| | | Role: Manages credit risks linked to climate change across the YBS Group. | Key 2025 activities: Reviewed additional climate-related credit risk measures, discussed essential climate risk data and took an action plan to BESPC and EESPC. |



Senior management accountability

The accountability for the senior management function for climate remains shared between the Chief Financial Officer and Chief Risk Officer:

Chief Financial Officer (CFO):

The CFO is responsible for managing the physical and transitional financial risks stemming from climate change. This includes accountability for leading the development and implementation of:

- Identification, measurement, monitoring and reporting of the financial risks of climate change, in line with our risk appetite including our risk exposure limits and thresholds.
- Scenario analysis (including a catastrophe modelling approach) to determine long-term financial risks and assess the impacts on our balance sheet.
- Disclosing the financial risks of climate change to the PRA.
- The climate related inputs into the wider sustainability reporting owned by the Chief Strategy and Sustainability Officer.

Chief Risk Officer (CRO):

The CRO has accountability for ensuring the development and implementation of:

- A governance framework to ensure that the Board understand and assess the financial risks from climate change which affect the Society, and address and oversee these risks within our overall business strategy and risk appetite.

Working groups

To support effective climate-related decision-making, we have two dedicated working groups:

- Climate Risk Working Group: Utilises subject matter experts to deliver tactical and strategic change with regards to understanding and reducing our financed emissions and exposure to climate-related risks.
- Climate Opportunities Working Group: Subject matter experts from across the organisation discuss how to maximise climate-related opportunities to support emissions reduction, particularly for financed emissions.

Setting our Purpose and generating long-term success

We are proud to be a mutual – it is what makes us different and enables us to deliver our Purpose and strategy for our members, but it’s also essential to the future of the Society as a modern mutual.

You can find out more on how we have brought our Purpose to life in the Board Activities and Engagement with stakeholders sections of this report together with the Our Strategy and Purpose section.

Our Board’s activities in 2025

Examples of some of the key activities our Board has undertaken during 2025 include:

| | | |
|---|--|---|
| <p>Member Value Clarification and definition of Member Value and our proposition.</p> | <p>Customer and Members Development of our Customer and Member proposition.</p> | <p>Board Strategy Session Support for the delivery of our strategic ambitions.</p> |
| <p>People Plan Oversight of the development of a revised plan to build a colleague base united by our Purpose and ambitious culture.</p> | <p>Our Purpose Articulation of an actionable definition of Real Help with Real Life.</p> | <p>Sustainability Review of our revised approach to sustainability.</p> |
| <p>Cyber Security Oversight of cybersecurity risks and development.</p> | <p>Transformation Oversight of our One Plan underpinning the Budget and Corporate Plan.</p> | |

Alongside regular updates from our Chief Executive and Chief Financial Officer, the Board’s annual agenda is anchored by a series of key strategic approvals. This includes the review and approval of the following each year to ensure the Society’s ongoing strength and resilience:

- Five-year Corporate Plan and Annual Budget.
- Financial Reports.
- Internal Capital Adequacy Assessment Process (ICAAP).
- Internal Liquidity Adequacy Assessment Process (ILAAP).
- Operational Resilience Self-Assessment.
- Recovery Plan and Resolution Assessment.
- Consumer Duty Assessment.

In every decision, the Board considers the perspectives and interests of all key stakeholders - including our colleagues, members and customers, government bodies, regulators, investors, and partners. For more details on how we engage with our stakeholders, please see the Engagement with stakeholders section.

Board decision making in practice – Purpose articulation

For more than 160 years, we have been delivering our Purpose of providing Real Help with Real Life. However, last year, we asked the key question of what this really means in practice. Working with our stakeholders, we co-created a clearer definition of our Purpose to provide focus and direction, drive effective decisions and create value for our members. More detail on this can be found in the section below.

Considering feedback from leaders, colleagues, members, customers, lending partners and prospective members and customers, the Board approved a sharpened definition of our Purpose, together with an accompanying strategic framework that sets out our business ambitions and priorities in its context. Our evolved Purpose will guide decision making across the Society and shape the delivery of our strategy.

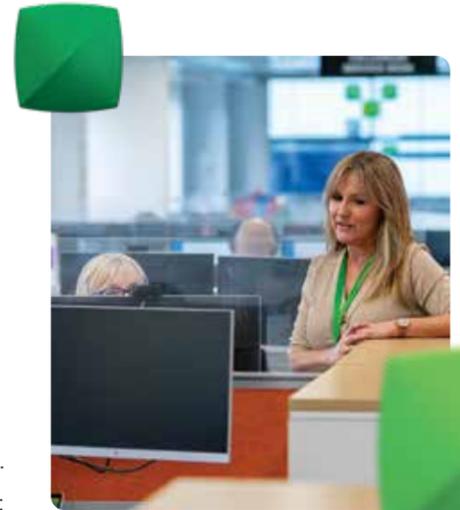
More information can be found in the Strategic Report.

Engagement with stakeholders

As a mutual, it’s important our members have a say on how the Society is run and the products and services offered. We really value our members contributions and are committed to maintaining strong relationships with our stakeholders by listening to what they want through the channels set out below. For our colleagues, we have a structured colleague voice framework - including forums, surveys, and listening sessions with the Board - which helps colleagues at all levels to share their views. Together with members, the feedback influences the decisions we take as we support the Society to deliver its Purpose and strategy.

Our Board is committed to maintaining a strong relationship with its stakeholders and recognises the important contribution that makes to achieving the Society’s Purpose and delivering its strategy. This includes understanding the views, areas of interest and / or any concerns they may have as part of Board decision-making.

The table below summarises our key stakeholders and how we engage with them:



Members and customers

As a mutual, we’re owned by, and exist for the benefit of, our members.

We’re also here for our wider set of customers – those with Accord Mortgages and YBS Commercial Mortgages.

How we engage:

- **Board Engagement:** Our Board listen to customer calls in operational areas and visit branches to better understand what matters to members and customers, through direct calls and from the perspective of our colleagues. Board and committee papers include details of how member and customer views have been considered, together with any potential implications for them, to inform any recommendations.
- **Board Champions:** Our Non-Executive Director, Mark Parsons, is both our Member Champion and Customer Duty Champion. This dual role ensures the perspective of our members remains central to Board discussions.
- **Events:** In 2025 these included in-branch meetings with customers and members, Purpose workshops in London and Bradford to help shape the definition, and ‘Your Time to Talk’ events, which are held online, and in person. Across both events, members attended to hear from our CEO Susan Allen and numerous other senior leaders. In June, we invited over 680,000 members to submit questions online for our teams of experts to answer. We received over 600 questions which were grouped into topics to form five online videos covering savings, mortgages, branches, wider society and the economy.
- **Feedback:** Our Customer Insight function supports better decision making by turning data into actionable insight. The My Voice community panel gathers member views through surveys, discussion rooms, and polls, with 2,400 participants and an average engagement rate of 83%. Alongside this, our Customer Experience programme measures advocacy, loyalty, and satisfaction across our brands through relationship, milestone, and interaction specific surveys.
- **Direct engagement:** Our specialist teams are ready to support people face-to-face, online through web chat and secure messaging, or by phone, email and letters. They work proactively and reactively depending on members’ need handling more than 600,000³⁹ calls, 96,800 secure messages and 16,300 web chat queries in 2025. We also regularly host in branch events focused on financial education and raising awareness of frauds and scams.
- **Annual General Meeting (AGM):** This meeting is a cornerstone of member engagement for our Board, providing the opportunity to present performance highlights, future plans and invite questions and feedback. Our members can attend both online and in person to ensure as many can be involved as possible. Members were also able to call, email or write with their questions and responses were issued in a timely manner.

Voting at the AGM is one of the important ways in which our members can get involved and vote on important matters, including the directors who represent them on the Board. The UK Corporate Governance Code expects that if there is a vote of 20 per cent or more against any resolution put forward by our Board at the AGM, we should give details of how we will consult our members to understand the reason why. The Society has a process in place if this happens. There were, however, no votes of 20 per cent or more against any of the resolutions our Board put forward at the 2025 AGM.

- **Net Promoter Score (‘NPS’) tracking:** Tracking NPS is one way we ensure that we’re striving to deliver the best possible customer service. Our NPS targets are agreed by the Remuneration Committee and form part of our colleague recognition scheme.
- **Mortgage brokers:** We engage with brokers on a proactive basis via face-to-face, telephony and virtual appointments, industry-wide and localised events and a broad range of communication and marketing channels. With our Accord Mortgages brokers, we’re proud of our popular ‘Growth Series’ online content, which helps brokers to grow their business with free podcasts, webinars and guides. For YBS Commercial Mortgages we work with the National Association of Commercial Finance Brokers (NACFB) and have a colleague on its Board. We also host roundtables to gain feedback from brokers and others in the market.

³⁹ Data covers reporting period January – October 2025, with November and December estimated

Colleagues

Our colleagues all play a part in helping us do right by our members and customers.

We're committed to a diverse, inclusive and engaged workforce to deliver our Purpose.

How we engage:

- **Live events:** We host in-person and virtual events for colleagues to hear updates on our plans and strategy throughout the year, including Leader Connect and Colleague Connect sessions and organised lunches with colleagues and senior leaders. Colleagues had the opportunity to speak openly with executives about topics such as mentoring and colleague engagement. We also host Ask Exco Anything meetings, which are open to everyone. In 2025, a number of sessions took place, providing colleagues across the business with a chance to ask questions. These sessions are recorded and shared with colleagues who couldn't join in person, so everyone benefits from the insights.
- **Supporting our leaders to engage:** We support leaders with bi-monthly information packs to cascade to teams and hold meaningful conversations.
- **Colleague networks and groups:** Our colleague networks and groups provide safe spaces for colleagues to connect, share experiences, and engage on important topics. In 2025 they supported colleagues through awareness events, policy reviews, and initiatives e.g. accessibility passports, with two members of senior leadership sponsoring and guiding each network.
- **Feedback:** We carry out colleague engagement surveys twice a year and an annual Diversity, Equity and Inclusion survey. In 2025, 89% of colleagues completed the colleague engagement survey, highlighting areas we should focus on as an organisation to improve the workplace for colleagues.
- **Intranet:** Internally, we have a place to share essential work updates as well as provide a space for colleagues to share the things that matter to them, regular blogs from the Executive Team and important product and service updates.
- **Colleague forum:** The Colleague Forum was established as a key mechanism for colleague engagement. Our Workforce Engagement Non-Executive Director attends each session to ensure there's a direct link between colleague feedback and Board-level discussions. Its primary purpose is to inform and enrich senior conversations by ensuring colleagues' views are heard and considered across a broad range of topics. In 2025, this included health and wellbeing, risk, artificial intelligence and our Purpose. The forum continues to evolve with a mix of face-to-face and online sessions supporting high levels of attendance. We have representatives from different areas of the business who are responsible for collating and sharing colleagues' feedback, along with our Colleague Network Co-chairs who are also invited to share feedback on the topics raised.
- **Board engagement:** We have a Non-Executive Director for Workforce Engagement, who supports the Board in understanding the views of our colleagues to enable them to be considered in discussions and decision making. Angela Darlington handed over these responsibilities to Elaine Bucknor on 1 January 2026. The Board see annual assessments from our Colleague Voice Framework, get health and safety and whistleblowing reports, and host face-to-face and online forums to make sure colleague views are heard and considered. Their views are also an essential part of Board and committee paper submissions.
- **Colleague listening groups with Non-Executive Directors:** Board colleague engagement events continue to be held to enable colleagues to raise any questions they have directly with our Non-Executive Directors. In March 2025, this included meetings with our YBS Commercial Mortgages colleagues at our Peterborough Office. As part of the October Board meeting cycle, the Board hosted a Colleague Engagement event at our Yorkshire Drive Head Office. The event was focused on our One Plan (Transformation) programmes.

Communities

We're committed to making a positive contribution socially and to the planet in the local, regional, and national communities in which we have a presence. We regularly engage with charities, community groups and partner organisations based in the areas where our members and colleagues are based.

How we engage:

- **Community partners:** We're a member organisation that contributes to, and benefits from, the work of Business in the Community, with representation on the Leadership Council, Yorkshire & Humber Leadership Board, Yorkshire & Humber ED&I Network and Bradford Place Board. We also work with Skills House, part of Bradford Council, to support students from educational institutions in lower socio-economic areas or diverse communities and we met with a range of community stakeholders from Bradford to host a roundtable discussion to understand, and suggest solutions to, barriers to employment in the city.
- **Charity partners:** Since November 2023 we've partnered with FareShare as our charity partner, with the aim to support people into employment. We also work closely with Citizens Advice and knowledge share to gain deeper insight into the support people need and how our products and services could be designed to fill any gaps. We support trustees of the Yorkshire Building Society Charitable Foundation and worked together to strategically align funding criteria in 2025. Our colleagues also volunteer their time in their communities and retail and office sites hold cause collections to support local causes with much-needed items from food items to toys and clothing.
- **Environmental partners:** We support and engage with the Yorkshire and the Humber Climate Commission, the Sustainable Business Consortium, the Green Finance Institute, the Asset and Liability Management Association (ALMA) and the Green Finance Taskforce, part of the Building Societies Association. In 2025 we worked with the Centre for Greening Financial Institutions to produce a campaign that highlights the risks of flooding and overheating to raise awareness with customers, but also to be used internally to help with making decisions.
- **Sector engagement:** Working with other building societies gives strength in numbers, and we often meet with our mutual peers to discuss issues that matter to our members and customers, challenges the sector may be facing or action we can take together for the greater good. UK Savings Week is a great example of how joint support can lead to increased awareness, and prompt more people to act.
- **Board engagement:** Our Chair, together with our wider Executive Team and colleagues supported students in Bradford at our Work Immersion Days, helping to prepare them for the world of work. Our Chair also visited the city's branch to see our partnership with Citizens Advice in action.

Government and regulators

We work in close partnership with regulators to ensure our operations meet the highest standards of compliance, helping to safeguard our business and protect our members. We also engage constructively with central and local government to advocate for policies that support financial inclusion, sustainability, and stronger communities.

How we engage:

- **Government:** We engage with political stakeholders to maintain and build relationships, while protecting and enhancing the reputation of the Society. We also lobby for change in the interest of our members, customers, communities and the Society. In 2025, we lobbied the Government on the impact of changes to the ISA limit, Loan-to-Income reform, a review of stress testing rules for mortgages and for financial education to be part of the national curriculum.
- **Regulators:** We have regular meetings with both the FCA and PRA. The PRA conduct an annual assessment and highlights what it considers to be our key risks and vulnerabilities to be addressed the following year, helping us to improve. We participate in thematic reviews conducted by the regulators, to help them assess and understand any emerging risks, and through industry bodies we engage with relevant consultations.
- **Board engagement:** Our Board also engages with other stakeholders such as regulators and industry bodies, considering updates and inputting as appropriate to relevant consultations, conferences and forums.

Wholesale funding investors and rating agencies

Wholesale funding investors play a vital role in helping us meet our funding and MREL needs. Both current and prospective investors are interested in our Purpose and strategy, financial performance, and sustainability practices in order to carry out their due diligence processes. To support these interests, our Investor Relations activities are complemented by external disclosures, as well as Credit and ESG ratings and opinions from independent rating agencies.

How we engage:

- **Annual reporting:** Our year-end and mid-year reporting suite, includes the Annual Report and Accounts, Interim Results, Regulatory News Service announcements, Investor Presentation and Sustainability Report; and are produced with investors in mind – to provide clear disclosures and to enable informed decisions.
- **Direct engagement:** Our investor relations activities provide investors the opportunity to directly engage with our management through ways which include conferences, virtual calls, face-to-face meetings and presentations. We maintain an active relationship with the credit rating agencies, including communication of our financial results, and annual review meetings.

Partners

We work with multiple partners from suppliers to brokers and agency proprietors who hold the same values as we do.

We're proud to be held to the highest standards by industry bodies and trade unions to act in the best interest of our members, customers and colleagues.

How we engage:

- **Suppliers:** We engage with suppliers through specialist relationship management teams via a combination of regular face-to-face meetings and events, telephone calls, emails and online supplier portals to build trust and relationships.
- **Aegis the Union:** For mutual benefit, we maintain an ongoing and constructive dialogue with Aegis throughout the year. This includes collaborating on strategy, priorities, pay negotiations, and any significant organisational changes to ensure transparency and the alignment of shared goals.
- **Agency proprietors:** We engage frequently with our agencies to make sure they feel supported to deliver the service our members and customers expect. Each agency has a dedicated Retail Area Manager that meets with them face-to-face or remotely monthly where possible, but quarterly as a minimum, to share updates and answer any queries they may have.
- **Yorkshire and the Humber Financial and Professional Services Skills Commission:** After founding the Commission, we continued to work with it in 2025 to identify the skills challenges facing our sector in Yorkshire. Our Director of People and Culture attended roundtable discussions as a representative, bringing together employers, education providers, and policymakers, to continue collaboration between stakeholders in the region.



Our culture

Our Board values the positive impact a strong and supportive culture has on everyone connected with our Society – it's not just about what we do, but how we do it every day. We're building an agile, efficient ambitious culture that supports our Purpose and constantly improves experiences for our members, customers and colleagues.

Our approach to the development and embedding of our ambitious culture strategic pillars was agreed in 2025, which our colleagues had an important role in. In particular, we sharpened our focus on two key aspects of our culture; pace and accountability. The Board oversaw how our sharpened Purpose and culture were being rolled out by the Executive Team and this will continue to be a key area of focus in 2026.

When it comes to culture, the Board and Executive Committee lead by example and regularly reflect on and hold themselves to the high standards set out in their shared Charter which is linked to the Society's behaviours.

Whistleblowing

Our Board approves the Whistleblowing Policy on an annual basis and oversees its implementation. We also have a Whistleblowing Champion who is a key point of contact for individuals who wish to report concerns. Our Whistleblowing Champion to 31 December 2025 was one of our Non-Executive Directors, Guy Bainbridge. From 1 January 2026 Non-Executive Director Angela Darlington became our Whistleblowing Champion.

Directors' duties

Section 172 of the Companies Act 2006 describes the duties of company directors in respect of promoting the business and considering other stakeholders. This does not apply to our directors as we are a mutual building society, not a company, but the UK Corporate Governance Code (which we follow as a standard of good governance) expects boards to report on how they have considered the matters set out in Section 172 in decision making. Our Section 172 Statement is set out in the Directors' Report.

Conflicts of interest

Our Board has a Directors and Chief Officers Conflicts of Interest Policy which sets out how we will review and, where appropriate, approve any conflicts or potential conflicts of interest. The Policy is reviewed on an annual basis by the Board Governance and Nominations Committee and recommended to the Board for approval.

Any interests and associated conflicts are recorded in a Register of Interests, changes to which are monitored by our Board Governance and Nominations Committee.

If any director wants to take on a new external position it must first be approved by our Board, which will consider whether there could be any conflicts of interest and / or an impact on the time they commit to their role with us.

Division of responsibilities

Board roles and division of responsibilities

The roles and responsibilities of the Non-Executive and Executive Directors of our Board are set out below:

| Non-Executive Directors | |
|--|--|
| Board Chair | <ul style="list-style-type: none"> Leadership of the Board. Ensures the Board acts effectively, promoting high standards of corporate governance. Leads the annual review of the performance of the Board, its Committees, and directors. Identifies ongoing development needs of the Board. Leads the Board in the approval of the Society's Strategy, Corporate Plan, One Plan, Budget, Risk Appetite, Capital and Liquidity Plans and Culture. |
| Vice Chair | <ul style="list-style-type: none"> Deputises both internally and externally for, and provides support and guidance to, the Board Chair. |
| Senior Independent Director | <ul style="list-style-type: none"> Acts as an intermediary for other directors. Leads the performance evaluation of the Board Chair. Acts as the main point of contact for the Society's members should the normal channels of communication fail. |
| All Non-Executive Directors | <ul style="list-style-type: none"> Responsible for bringing independent judgement to Board decisions and debate. Use their own experience and skills to constructively challenge the Executive Team. Responsible for continuing their own learning growth and development to remain relevant. |
| Executive Directors (in addition to serving as a member of the Board) | |
| Chief Executive Officer | <ul style="list-style-type: none"> Overall responsibility for leading the Society. Leads the formulation of the Strategy, Corporate Plan, One Plan and Budget for the Board's approval. Implements the strategies and policies agreed by the Board, supported by the Executive Team, through a number of management and risk committees. |
| Executive Director | <ul style="list-style-type: none"> Responsible for the day-to-day management of specific areas of the business including maintaining the Society's financial strength and sustainability. Brings associated skills and knowledge to the Board. |
| Group Secretary | |
| Advises the Board Chair and the Board as a whole on all governance matters, supporting the effective operation of the Board. | |

Independence

All the Non-Executive Directors continue to be considered independent based on the guidance in the Code and as set out in the Our Board and Executive Team section. The Board Chair was considered to be independent on appointment.

Attendance at Board and Committee meetings

The table below shows our directors and the scheduled Board and Committee meetings they attended during 2025 (where they were a member during the year) followed by the number of meetings the director was eligible to attend.

| Director | Board | Board Strategy/ Planning | Board Committees | | | | |
|-----------------------------------|-------|--------------------------|------------------|----------------------------------|--------------------|------------|--------------------------------------|
| | | | Board Audit | Board Governance and Nominations | Board Remuneration | Board Risk | Board Environment and Social Purpose |
| Board Chair | | | | | | | |
| Annamarie Durbin | 7/7 | 2/2 | - | 4/4 | - | - | - |
| Non-Executive Directors | | | | | | | |
| Guy Bainbridge¹ | 7/7 | 2/2 | 6/6 | 4/4 | - | 4/4 | - |
| Peter Bole² | 7/7 | 2/2 | 5/6 | - | 1/1 | - | - |
| Elaine Bucknor³ | 2/2 | 1/1 | - | - | - | 0/1 | - |
| Angela Darlington | 7/7 | 2/2 | 6/6 | 4/4 | - | 4/4 | - |
| Debra Davies | 7/7 | 2/2 | - | - | 5/5 | 4/4 | 3/3 |
| Dina Matta⁴ | 5/6 | 2/2 | - | - | 4/4 | - | - |
| Mark Parsons | 7/7 | 2/2 | 6/6 | 4/4 | - | 4/4 | 3/3 |
| Janet Pope | 7/7 | 2/2 | - | - | 5/5 | - | 3/3 |
| Executive Directors | | | | | | | |
| Susan Allen | 7/7 | 2/2 | - | - | - | - | - |
| Tom Ranger | 7/7 | 2/2 | - | - | - | - | - |

1. Guy Bainbridge stepped down from the Board, as Vice Chair and from his Committee roles with effect from 31 December 2025.
 2. Peter Bole joined the Board Remuneration Committee with effect from 26 September 2025 and the Board Risk Committee with effect from 22 October 2025.
 3. Elaine Bucknor joined the Board and the Board Risk Committee with effect from 26 September 2025.
 4. Dina Matta stepped down from the Board and the Board Remuneration Committee on 22 October 2025.

In 2025 the following formal ad hoc meetings were also held:

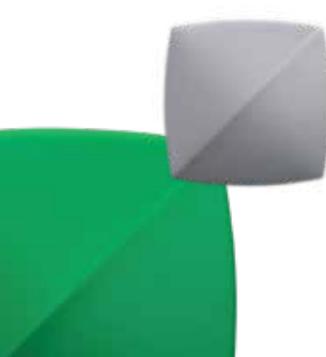
- Board in relation to key contract arrangements.
- Board Risk Committee meeting in relation to LTI Risk Appetite.
- Joint Board Audit Committee and Board Risk Committee meeting in relation to the requirements of Provision 29 of the Code.
- Board Governance and Nominations Committee meeting in relation to Non-Executive Director recruitment.

In addition, a number of Board and Committee workshops have been held on key topics that all directors were able to attend (or otherwise view a recording) during the course of the year.

If a director cannot attend a meeting for unavoidable reasons, they will still receive the papers and are encouraged to share their thoughts with the Chair ahead of time. When a new director joins the Board they may have some unavoidable pre-existing commitments which can lead to less than full attendance. However, any director in this position provides comments to the Board or Committee Chair in advance of the meeting and has the opportunity to engage offline with the relevant members of the Executive Team.

The Board Chair and Chief Executive are usually invited to all Committee meetings and the Chief Risk Officer is invited to attend all Board meetings.

Should an urgent decision be needed between meetings, a written resolution can be used, provided all directors (or members for a Committee) approve in accordance with our Rules.



Directors' time commitment and other directorships

All Non-Executive Directors are expected to ensure that they have enough time for the responsibilities of their role and to support this:

- Availability and other commitments are reviewed and considered when recruiting and prior to appointing new Non-Executive Directors.
- Each Non-Executive Director has a letter of appointment which sets out the expected time commitment for the role.
- If a director is intending to take on an additional external appointment this is reviewed and, if appropriate, approved before it is taken up. Our Board Governance and Nominations Committee, and Board where appropriate, will consider the impact any additional role would have on the time they could commit to their role with the Society.
- A review of time commitment is also included as part of the one-to-one sessions held each year with individual directors.

Prior to appointment the significant commitments, including the time involved, for Non-Executive Directors is disclosed and reviewed. For 2025 this included Elaine Bucknor who joined the Society in September 2025.

Additional external appointments for Directors require prior approval in accordance with the Conflicts of Interest Policy. There was one significant external appointment during 2025, in relation to a Non-Executive Director role for Debra Davies at Nomura International Plc. Prior to approval the overall impact on time commitment was considered to ensure it would not impact existing commitments to YBS.

None of the Executive Directors have held any non-executive directorships in a FTSE100 company during 2025.

The Board Governance and Nominations Committee continued to monitor all commitments throughout the year through the Register of Interests.

During 2024, a review of the Board and Committee Architecture was completed which was approved by the Board in December 2024. In conjunction with this an extensive review of Non-Executive Director time commitment and fees was also undertaken, including an external benchmarking exercise. As a result of the review, and taking into account the increased requirements of the Non-Executive Director role and the outcomes of the time commitment and fees review, the non-conflicted members of the Board (i.e. the Executive Directors and Board Chair) agreed a revised time commitment for all Non-Executive Directors (excluding the Board Chair) together with the associated fees effective from 1 January 2025. Revised letters of appointment were issued to all Non-Executive Directors.

Composition, succession and evaluation

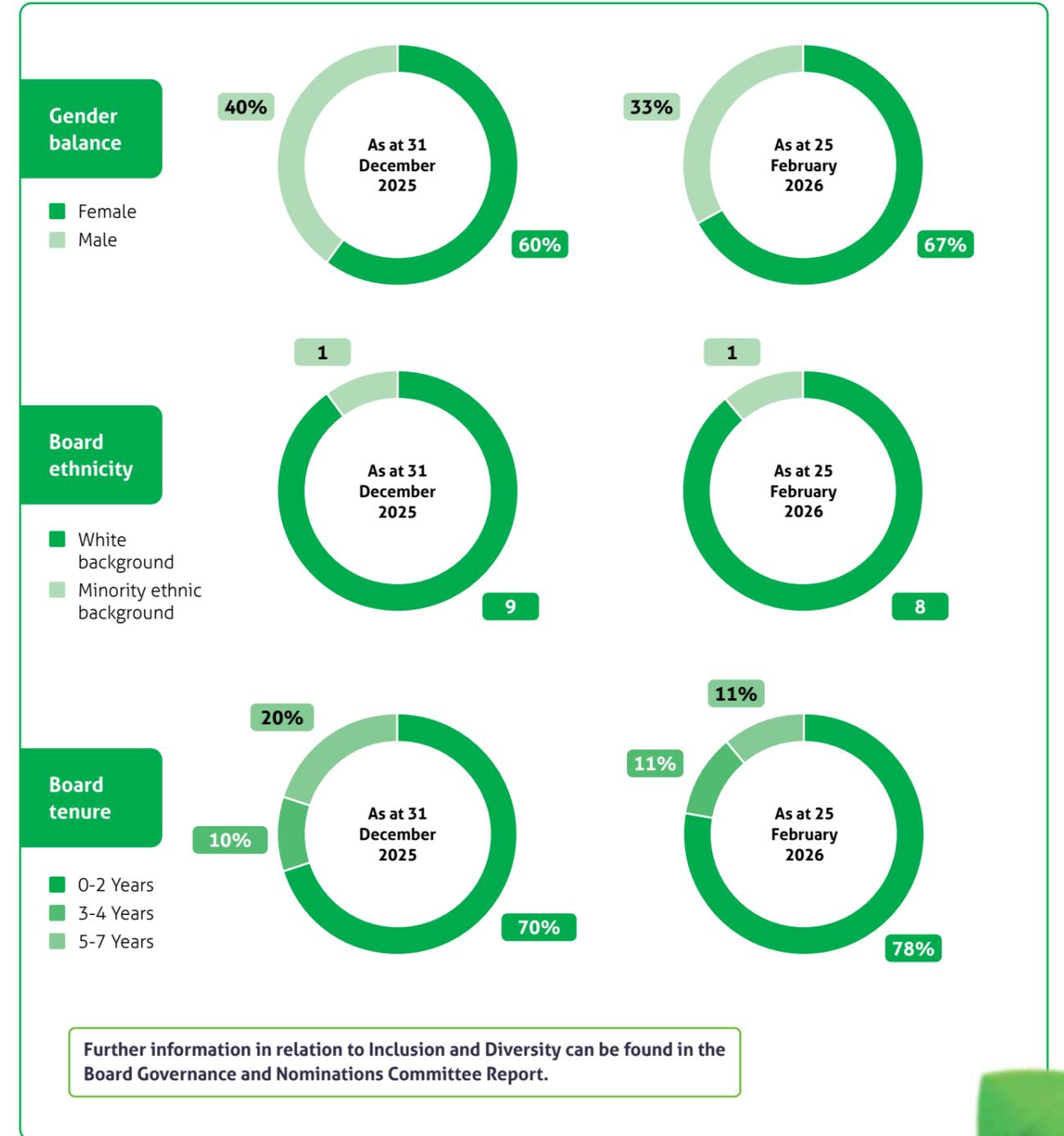
Election and re-election of directors

All of our directors are subject to election on appointment and annual re-election by our members at the AGM based on the best practice set out in the Code (our Rules require the re-election of our directors to take place at least once every three years).

Details of each individual director's contribution are set out in the booklet accompanying the Notice of AGM sent to all qualifying members. The profiles in the Our Board and Executive Team Section, and available on our website, also set out the skills and experience of individual directors.

Board composition

Details of the composition of the Board are set out below for both the period end, 31 December 2025 and 25 February 2026 noting that Guy Bainbridge stepped down from the Board on 31 December 2025.



Tenure

A summary of the tenure of the current Board is set out in the Board Composition section. In accordance with the Code, the Board Chair has not been in post for more than nine years having joined the Board in December 2023.

Annual Board effectiveness review 2024

After a thorough external review in 2023, our Board took the opportunity in 2024 to complete an internal review of its effectiveness. The review focused on the actions identified and progress made against the recommendations from the external review.

The outcomes of the 2024 review were used to develop the Board Effectiveness Action Plan actions for 2025. Key themes for the 2025 Action Plan, along with the progress we've made are set out below:

| Area for Focus | Update |
|--|---|
| Embedding the new Board and Committee Architecture ensuring there are no gaps and overlaps. | <p>The new Board and Committee Architecture was implemented from 1 January 2025 and embedded during 2025 with the development of a supporting Governance Map. Progress was reviewed in July 2025 to ensure that there were no overlaps or gaps arising. This has been supported by an external review in Quarter 4 2025, the outcomes of which were considered at the Board meeting in 2026 with no significant issues arising.</p> <p>A key outcome has been to ensure that the Board has the space to consider the key strategy items for the Society whilst the Committees undertake the deep dives based on their areas of responsibility.</p> <p>There has also been a focus on reviewing and refining the approach to our practices underpinning Board governance, including minutes, agendas and papers.</p> |
| Ensuring effective oversight of Executive Succession and effective interplay between the Board and Executive Committee. | <p>Significant work has been undertaken by the Board Governance and Nominations Committee in relation to Executive Succession on behalf of the Board. Regular reports have been received including in relation to the development of a diverse pipeline.</p> <p>The Board and Executive Committee have agreed a Charter setting out the high level principles of engagement.</p> |
| Reviewing and ensuring the Society's Purpose and related priorities are clearly defined. | <p>Significant work has been undertaken in relation to reviewing and ensuring the Society's Purpose and related priorities are clearly defined. Further detail is set out in this report together with the Strategic Report.</p> |

Annual Board effectiveness review 2025

As an external review was completed in 2023, an internal effectiveness review process was once again undertaken in 2025. The outcomes of the review were discussed at the Board meeting in January 2026 and there were no significant issues arising. Further details will be provided in the Annual Report and Accounts for 2026.

For further details on the process followed for the Board and Committee evaluations please see the Board Governance and Nominations Committee Report.

Board training and development

A learning mindset is something we look for in all our directors. As a modern Board it is essential that all directors continue to learn, grow and develop to support our modern Society. To support this, the Board has a formal Training Plan to ensure that there is an overarching plan in place for the Board as a whole which sets out the training and development requirements for the year. The Training Plan is agreed and overseen by the Board Governance and Nominations Committee on behalf of the Board and takes account of future strategy, key topics which would benefit from an external perspective, annual Board Effectiveness Review, Board Skills Matrix, succession plans and regulatory and governance expectations as appropriate.

The Training Plan covers those development areas which are required for the Board as a whole, with individual training and development incorporated into personal development plans. The Training Plan includes external speakers / facilitators where it is considered that an external perspective would support strategy discussions and / or Board decision making.

During 2025 Board and Board Committee workshops, training and development topics included:

- Structural Hedging and Hedge Accounting
- ICAAP
- ILAAP
- Recovery Planning
- Effectiveness and Strengths
- Provision 29 Insights
- Broker Market
- Climate
- Political Environment in the UK and its impact on retailers
- Marketing and Competitor Updates
- Insights on cybersecurity (presented bi-annually from our independent Board Cyber Adviser)

During the course of the year the Board and Executive Committee have engaged in a number of formal sessions and informal engagements designed to foster effective relationships.

Our Board is committed to being a modern, learning-focused Board which means we encourage continuous learning and development to support both individual growth and for the benefit of our Society as a whole. As such, the formal Board Training Plan is also complemented by self-directed and continual learning by directors together with operational visits such as colleague listening and branch visits.

Executive and Non-Executive Director induction plans

Comprehensive, formal, and tailored induction plans are put in place for all Executive and Non-Executive Directors on joining the Board, based on their skills and experience. For Non-Executive Directors this includes a specific induction programme for any Committees they will be joining. Role specific inductions are also arranged where a director takes on a new role or Committee membership as appropriate.

The Board Governance and Nominations Committee monitors the completion of all Executive and Non-Executive Director induction plans.

For 2025 that has included an induction plan for Elaine Bucknor who was appointed as a Non-Executive Director in September 2025.

More information on our Board is available in other sections of this document:

| | |
|--|--|
| Succession planning for the Board | See the Board Governance and Nominations Committee Report. |
| Skills and experience of our Board and Committees | See Our Board and Executive Team profiles. |
| Recruitment and appointment of Directors | See our Board Governance and Nominations Committee Report. |
| Board diversity and inclusion | See our Board Governance and Nominations Committee Report. |

Audit, risk and internal control

Our Board has overall responsibility for audit, risk and internal control, and delegates oversight to its committees:

| | |
|---|---|
| Ensuring that both internal and external audit are effective | More information can be found in the Board Audit Committee Report. |
| Setting our risk appetite | More information can be found in the Risk Management Report. |
| Our systems of internal controls | More information on the internal controls framework can be found in the Board Audit Committee Report. |

The Board receives quarterly reports from the Chief Risk Officer to enable it to monitor the effectiveness of the risk management framework and internal controls systems. The Board Risk Committee reviews the effectiveness of the risk management framework. The Board Audit Committee reviews the effectiveness of internal controls at least annually with the outcomes reported to the Board by the Committee Chair.

Remuneration

Our Board Remuneration Committee has delegated responsibility for setting the policy on the remuneration of Executive Directors as well as setting the remuneration for the Board Chair and other members of the Leadership Team.

For further details please see the Directors' Remuneration Report.

The remuneration of Non-Executive Directors is a decision reserved for the Board's approval and is reviewed by the Executive Directors and the Board Chair only.

Annemarie Durbin
Chair of the Board

25 February 2026

