

DIRECTORS' REMUNERATION REPORT

A word from Debra Davies, Board Remuneration Committee Chair

I am pleased to set out how the Committee has overseen the application of the Society's Remuneration Policy during the performance year ended 31 December 2025.

Throughout the year, our focus has remained on ensuring that remuneration arrangements continue to support the long-term interests of the Society and its members, and that decisions are made in a fair, consistent and transparent manner.

The bonus schemes (Our Bonus and Our Senior Leader Bonus) continued to operate as intended during 2025. These schemes were designed to strengthen alignment between colleagues and the Society's strategy by applying financial and customer underpins across the organisation. The Committee continues to monitor their effectiveness closely, considering evolving remuneration regulatory expectations and evolving market practices.

During the year, the Society operated against a challenging external backdrop. Performance outcomes reflect financial discipline and a continued focus on member service. Under Our Bonus, eligible colleagues received an average award of 10% of salary. Senior leader outcomes were determined in line with the Society-wide scorecard and the achievement of agreed personal objectives. In reaching its decisions, the Committee considered whether bonus scheme outcomes appropriately reflected overall performance and the broader experience of members.

There were several changes to senior leadership and Committee membership during the year. Simon Watson joined the Society as Chief Customer Officer. Within the Committee itself, Dina Matta left, and Peter Bole joined, he is also Board Audit committee chair, strengthening the alignment of committees and governance.

I also confirmed my intention to step down from the Board and from my role as Chair of the Committee following the 2026 Annual General Meeting, having served as a Non-Executive Director for three years. Janet Pope, an existing member of the Board and Remuneration Committee will take over as Chair of the Committee.

The external regulatory environment has continued to evolve, particularly following the joint Prudential Regulation Authority and Financial Conduct Authority policy statement on Banking Remuneration Reform. During the year, the Society reviewed its approach to deferral and long-term performance alignment to comply with the revised requirements. This included simplifying deferral structures, adopting updated vesting arrangements and implementing revised proportionality thresholds. The Committee will continue to monitor future regulatory developments to ensure the Society's approach remains compliant and supports long-term sustainability.

Throughout the year, the Committee has been satisfied that remuneration decisions have been made in accordance with the approved Remuneration Policy and remain aligned to the long-term interests of the Society and its members. The Directors' Remuneration Report for 2025 will be subject to an advisory vote at the 2026 Annual General Meeting, and the Committee recommends that members vote in favour of the report.

Debra Davies
Chair of the Board Remuneration Committee
25 February 2026

Our committees

Our committees help us make sure our reward policies are fair, well-governed and fit for the future. The Board Remuneration Committee and People Risk Committee play a key role in keeping our approach to reward aligned with our strategy and compliant with regulation.

Board Remuneration Committee members and meetings

The members of the Board Remuneration Committee are:



Debra Davies
Committee Chair and Independent Non-Executive Director



Peter Bole
Independent Non-Executive Director (from 26 September 2025)



Janet Pope
Independent Non-Executive Director (from 1 January 2025).

Dina Matta (Former Independent Non-Executive Director) was a member of the Board Remuneration Committee until 22 October 2025 when she stepped down.

Our Board appoints members to the Board Remuneration Committee, and all members are independent Non-Executive Directors in accordance the requirements of the UK Corporate Governance Code (the Code). You can find out more about the skills, qualifications and experience of the Board Remuneration Committee members in the directors' biographies in the Our Board and Executive Team section.

Only Board Remuneration Committee members are entitled to attend its meetings, although others may be asked to attend all or part of a meeting. The Chair of the Board, Chief People Officer and Director of Performance and Reward are usually invited to attend each meeting. The Chief Executive also joins when needed to provide context and insight.

To help the Board Remuneration Committee make informed decisions, we seek independent advice. In 2025, EY provided guidance on reward and regulation. The Board Remuneration Committee is confident that all advice received was objective and independent.

In 2025 the Board Remuneration Committee held five scheduled meetings. Four of those finished with a private session between the Board Remuneration Committee members. These private sessions allow the Board Remuneration Committee members to discuss confidential matters, which may not be appropriate to discuss in the main meeting itself. We also used the Written Resolution process once where a matter required review and approval outside of the planned meeting schedule.

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

Board Remuneration Committee responsibilities

The Board Remuneration Committee takes the lead on making sure our reward policies are right for our Chief Officers (including Executive Directors), our Material Risk Takers (MRTs), and all colleagues across the Society. It oversees the Society's Remuneration Policy, making sure it supports our long-term goals and meets regulatory expectations.

Here's what the Board Remuneration Committee gets involved in:

- Setting the Remuneration Policy for all colleagues.
- Reviewing and approving pay arrangements for Chief Officers and the Chair of the Board.
- Ratifying annual objectives for Executive Directors.
- Overseeing variable pay awards for other MRTs.
- Signing off bonus scheme outcomes across the Society.
- Applying malus or clawback where needed—if behaviour doesn't match our values.
- Overseeing remuneration processes in relation to MRTs.
- Making sure our Business Controls Overlay works as intended.
- Looking at how pay across the Society compares to Executive pay.

Further detail on the role and responsibilities of the Board Remuneration Committee can be found in the Terms of Reference which are available on our website⁴⁴.

⁴⁴ <https://www.ybs.co.uk/your-society/inside-your-society/corporate-governance/committees#remuneration>

The Terms of Reference of the Board Remuneration Committee are reviewed annually to ensure it continues to fulfil its responsibilities and meets regulatory requirements and good practice. 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 Board Remuneration Committee fulfilled the requirements of its Terms of Reference, with particular emphasis on the following areas:

- Performance related pay schemes.
- The Business Control Overlay process.
- Material Risk Taker (MRT) Identification.

The Board Remuneration Committee is committed to ongoing development and learning and regular updates on significant regulatory changes and market insights are provided by the independent adviser during committee meetings.

Further information in relation to Board training can be found in the Corporate Governance Report.

Board Remuneration Committee effectiveness review

In 2024 the Board Remuneration Committee completed an internal effectiveness review, there were no urgent or significant actions arising from this review. For 2025, the Board Remuneration Committee undertook an internal effectiveness review based on a questionnaire approach. The Board Remuneration Committee considered the outcomes of the 2025 effectiveness review at its meeting in January 2026. There were no urgent or significant actions identified.

Further details on the evaluation process for 2025 can be found in both the Board Governance and Nominations Committee Report and the Corporate Governance Report.

Corporate Governance

Provision 38 was introduced as part of the UK Corporate Governance Code 2024. Aimed at strengthening transparency and accountability in executive pay, companies are required to include a clear statement in their annual remuneration report on the operation of malus and clawback arrangements (including the circumstances in which malus and clawback would apply, the duration of the malus and clawback period and whether this was used within the reporting year). Provision 38 has been fully considered, and its requirements have been incorporated into the malus and clawback section of the Directors' Remuneration Report.

People Risk Committee

As part of our evolving approach to risk management, we've made a change during 2025. The responsibilities that used to sit with the Performance & Reward Committee now fall under the People Risk Committee—a sub-committee of our Executive Risk Committee (ERC).

This Committee plays a vital role in making sure our Remuneration Policy works well in practice. It keeps a close eye on conduct, risk and how well our approach aligns with our strategy. It also ensures that any variable pay we offer encourages the right behaviours and supports good outcomes for our members and customers.

The Committee brings together senior leaders from across the Society, with representation from Customer Services, Commercial, People, Finance and Risk.

How we manage risk and governance in reward

Our reward policies and practices meet all internal governance standards and regulatory requirements. They're designed to manage risk—now and in the future—for our members, customers and colleagues.

Before any bonus is paid, we run a full risk check through our Business Controls Overlay – so awards stay fair and responsible.

We're currently reviewing the latest Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) Policy Statement on Banking Remuneration Reforms. These changes affect how variable pay must be deferred - whether it's already awarded or still to come. We're committed to implementing these changes in a way that supports our values and long-term sustainability.

Our regulators

We're regulated by the PRA and FCA. Our relationship with them matters. It builds trust - inside and outside the Society. That's why our approach to base pay, bonuses and benefits is designed to meet regulatory standards and foster confidence.

Executive Director remuneration for 2025

All remuneration in the 2025 performance year has been awarded in line with the Society's Remuneration Policy.

Details of the full policy relevant for 2025 can be found at www.ybs.co.uk.

The table below shows the single total figure table of remuneration for the Executive Directors of the Society for the years ended 31 December 2025 and 31 December 2024. This information has been audited by our independent auditors, PwC.

Single total figure of remuneration for each Executive Director (audited)

Executive Directors	Role	Fixed Remuneration								Variable Remuneration						Total Remuneration Excluding Replacement Awards		Total Remuneration Including Replacement Awards	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024		
		Base Salary £'000		Taxable Benefits £'000		Pension £'000		Total Fixed £'000		Bonus £'000		Replacement Awards £'000		Total Variable £'000		£'000		£'000	
Susan Allen	Chief Executive Officer	805	798	32	32	88	88	925	918	686	777	N/A	N/A	686	777	1,611	1,695	1,611	1,695
Tom Ranger ⁴⁵	Chief Financial Officer	493	259	37	19	54	29	584	307	327	426	N/A	869	327	1,295	911	733	911	1,602

Past Executive Directors of the Society, Alasdair Lenman and David Morris, received no remuneration in 2025.

Their remuneration relating to 2024 was published in the 2024 Director's Remuneration Report.

Only basic salary is pensionable and Executive Director pension contribution rates are aligned with the wider workforce.

Base salary

In 2025 Tom Ranger was awarded a pay increase of 5.15% effective 1st September. This uplift was in recognition of Tom's expanded role to include Strategy and Corporate Affairs and remains in line with our analysis of the broader market. Susan Allen did not receive a pay increase in 2025.

Variable pay

For the 2024 performance year, we introduced a new bonus system – one that's fairer, clearer and built around what matters most: how we perform financially and how we support our customers.

We've got two schemes in place:

- 'Our Bonus' – for all colleagues (excluding Senior Leaders)
- 'Our Senior Leader Bonus' – for Senior Leaders, including Executive Directors

Both schemes are shaped by the same things: our financial performance and the experience we give our customers. For 'Our Bonus', these unlock and guide the bonus pool. For 'Our Senior Leader Bonus', they help determine the bonus opportunity.

In 2025, we focused on embedding these schemes – making sure they work well, feel fair and reflect the impact we all make.

⁴⁵ Tom Ranger – joined the Society as Chief Financial Officer on 18 June 2024 and was awarded an annual base salary of £485,000. Replacement awards included £868,937 awarded to compensate for deferred awards forfeited on leaving his previous employer.

Performance and Bonus Outcomes in 2025

The Society's bonus schemes are underpinned by two key performance measures: Core Operating Profit and customer Net Promoter Score (NPS). These metrics reflect the Society's financial strength and the quality of service delivered to members.

Financial performance

The Society's Profit Before Tax (PBT) is adjusted for bonus purposes to exclude items that do not reflect underlying commercial performance - such as timing differences or accounting treatments. This adjusted figure is referred to as Core Operating Profit.

In 2025, the Society's Core Operating Profit exceeded the target set for bonus purposes. This solid financial performance contributed positively to the overall bonus outcomes for the year. The Board Remuneration Committee retains discretion to make further adjustments to the profit calculation where appropriate, for example, to reflect significant investment in growth or material deviations from cost management plans.

Customer experience

The second performance measure is the Society's Net Promoter Score (NPS), which assesses how likely members are to recommend the Society. In 2025, the Society achieved an NPS of 66, which was above the target threshold. This result reflects continued strong member advocacy and contributed to the bonus opportunity.

Sustainability and governance

Before any bonus awards are granted, the Society undertakes a comprehensive review to ensure that capital levels remain sustainable and compliant with regulatory requirements. This includes an assessment of cost management practices to confirm they are robust and aligned with the Society's long-term financial health.

Bonus Scheme Operation

The Society operates two bonus schemes: Our Bonus, which applies to all colleagues excluding Senior Leaders, and Our Senior Leader Bonus, which applies to Senior Leaders including Executive Directors.

For both schemes, bonus awards are contingent on the achievement of threshold performance levels against two key business metrics: Core Operating Profit and customer Net Promoter Score (NPS). These metrics reflect the Society's financial health and the quality of customer experience delivered.

Under Our Bonus, once the Society-wide performance thresholds are met, an individual's bonus award may include an additional percentage based on personal performance. This is assessed against the achievement of individual objectives, which may include both financial and non-financial measures.

Under Our Senior Leader Bonus, the Society's performance across all measures in the Remuneration scorecard determines the core bonus award and aligns Executive remuneration with Society strategy. An additional percentage is also awarded based on individual performance, assessed against objectives agreed at the start of the year and subject to independent review at year end. These objectives encompass both financial and non-financial elements.

Our Business Controls Overlay ensures that all relevant risks have been considered.

How 'Our Senior Leader Bonus' value was calculated for Executive Directors

Category	Measure	Weighting	Achievement	Outturn
Customer	Balance Growth	5%		0%
	NPS score	7.5%		6.9%
	Retention (Mortgages)	5%		2%
	Member value	5%		5%
	Key One Plan priorities delivered	10%		2.5%
	Sum of Customer	32.5%		16.4%
Financial	Core Operating Profit	25%		23%
	Run Costs	15%		8%
	Sum of financial	40%		31%
Colleague	Ambitious Culture	7.5%		2.8%
	Sum of Society performance	80%		50.2%

There is an additional 20% associated with individual performance across colleague metrics.

Risk Underpin: the above scorecard is subject to the Society remaining within Risk Appetite (based on a qualitative assessment of Tier 1 Risk Appetite metrics undertaken at year-end).

Executive Director personal objectives 2025

Alongside the shared Senior Leader scorecard for 2025, each Executive Director also worked towards a set of personal objectives.

Following a thorough assessment, both the CEO and CFO were found to have met or exceeded their targets, with bonus outcomes of 10% and 16% respectively, awarded from a maximum of 20%.

The Board Remuneration Committee carefully reviewed these outcomes to ensure they fairly reflected individual performance. The Committee concluded that the results were a balanced and accurate representation of achievement.

How bonus is awarded for Executive Directors

In line with relevant remuneration regulations, bonus awards for Executive Directors are deferred over a number of years.

The table below shows when payments linked to 2025 performance will vest. Half will be paid in cash, and the other half through Share Equivalent Instruments (SEIs), which are subject to a holding period, and malus and clawback provisions. You can find more detail in the 'Deferral and Share Equivalent Instrument (SEI)' section.



Regulatory review

Following the joint policy statement from the PRA and FCA on Banking Remuneration Reform, we've reviewed our approach to bonus deferral and long-term alignment. While our structure has always balanced cash and Share Equivalent Instruments (SEIs) with appropriate holding periods, we've now simplified things in line with the new rules.

The changes mean our approach is clearer, fairer and easier to understand – while keeping risk management front and centre. We've shortened deferral periods, introduced pro-rata vesting and removed unnecessary complexity, so colleagues know what to expect and when.

The Board Remuneration Committee will keep a close eye on developments and make further adjustments if needed, ensuring our practices stay aligned with regulation and support the long-term sustainability of the Society.

Executive Director	Role	Total Award		Deferral schedule				
		Cash	SEI	2026	2027	2028	2029	2030
		£'000	£'000	SEI £'000	SEI £'000	SEI £'000	SEI £'000	SEI £'000
Susan Allen	CEO	343	343	63	70	70	70	70
Tom Ranger	CFO	163	165	33	33	33	33	33

Remuneration scenarios in relation to the Remuneration Policy in 2025

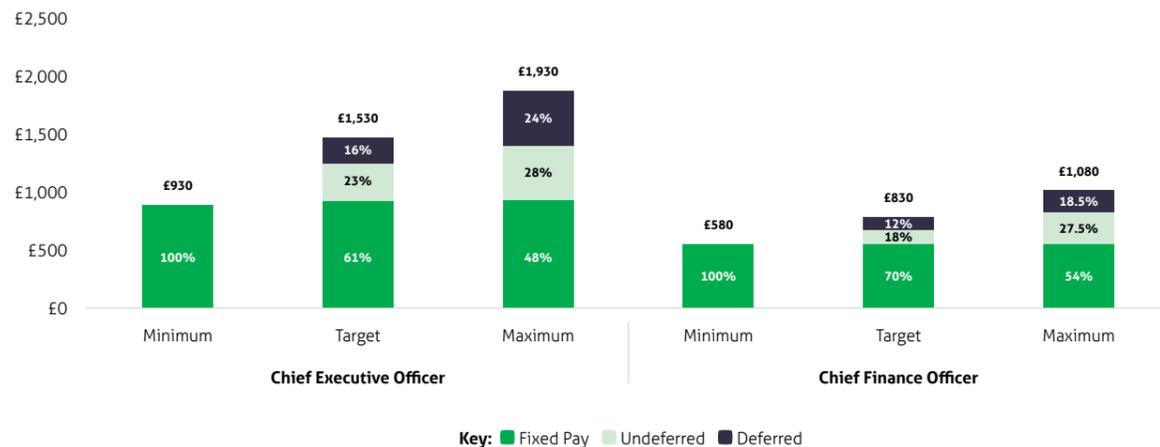
The chart below shows how remuneration could be split between fixed pay (base salary, benefits and pension) and variable pay (bonus) for the Chief Executive and other Executive Directors.

To bring this to life, we've used data for the CEO and CFO under three different scenarios:

- **Minimum** – where performance conditions aren't met, and no variable pay is awarded.
- **Target** – where Society and personal performance measures are achieved. This would result in a variable pay award of 75% of eligible pay for the CEO and 50% for other Executive Directors.
- **Maximum** – where stretch objectives are fully met. This could result in a variable pay award of up to 125% of eligible pay for the CEO and 100% for other Executive Directors.

These scenarios help show how performance shapes reward—and how our approach stays aligned with long-term sustainability and fairness.

Figures in this table are represented in £'000's.



Payment for loss of office

No payments were made to Executive Directors for loss of office in 2025.

Payment to past Directors

No payments were made to past Directors in 2025 that haven't already been disclosed in previous reports.

Colleague consideration in relation to remuneration

We're building a workplace where colleagues feel part of something bigger — engaged in our journey and proud to play their part. Feeling valued and respected is key to that, and our reward approach plays an important role. It's shaped by our mutuality and values, and designed to help colleagues work together for the benefit of the Society, our members and our customers.

Colleague listening

We actively listen to colleagues in lots of ways—including through our recognised trade union, Aegis, and our Colleague Forum, which gives direct input into how our reward framework is shaped and developed. Since January 2024, Angela Darlington has been our Non-Executive Director for Workforce Engagement, helping ensure colleague views are heard at Board level.

Supporting colleagues in 2025

We want every colleague to feel recognised, valued and fairly rewarded for the role they play in delivering great service and keeping the Society running smoothly.

In 2025, we made another meaningful investment in base pay. Eligible colleagues received an average salary increase of around 3.3% , made up of a core award of 3% and a discretionary uplift for some. We also made a one-off payment of £200 to all eligible colleagues, to recognise cost of living challenges.

CEO Pay ratio reporting

We continue to publish the ratio of the Chief Executive's pay compared to the wider colleague population. This looks at total remuneration for the CEO against that of the median colleague, as well as those at the 25th and 75th percentiles.

As in previous years, we've used reporting 'Option B'. This means we've drawn on our existing gender pay gap data to identify colleagues at each quartile. The total remuneration for these colleagues was calculated as at 31 December 2025.

This ratio reflects the nature of the Society—where a wide range of roles and skillsets come together to make things work. From customer-facing colleagues in our branches and call centres, to highly specialised roles in areas like Treasury, it's a diverse mix that's essential to how we serve our members.

Year	Defined Method	25th percentile	50th percentile	75th percentile
2025	Option B	50:1	38:1	26:1
2024	Option B	59:1	43:1	28:1
2023	Option B	60:1	44:1	28:1
2022	Option B	28:1	21:1	14:1
2021	Option B	29:1	21:1	14:1

The total remuneration values and base salary values for the 25th, 50th and 75th percentile employees for 2025 are:

	25th percentile	50th percentile	75th percentile
Total Remuneration	£32,198	£42,374	£60,971
Salary	£27,008	£35,180	£51,000

The following elements have been utilised to calculate the total remuneration of each colleague; base salary, pension (including pension cash allowance), car allowance, private medical insurance and bonus.

Non-Executive Directors

Chair of the Board and Non-Executive Directors

We review fees for the Chair of the Board and our Non-Executive Directors (NEDs) from time to time.

Towards the end of last year, we completed a review of our Board and Committee architecture. As part of that, we also looked at the time commitment and fees for our NEDs. With the role continuing to evolve and expectations increasing, we agreed updated fees to reflect the revised time commitment and responsibilities. These changes took effect from 1 January 2025.

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The Chair of the Board wasn't included in this review. Their fee was considered separately as part of the usual cycle, with a 3% increase applied from 1 July 2025 - aligned with the award made to the wider colleague population.

Chair of the Board fee (annual equivalents)	Annual fees as at 1 July 2025	Annual fees as at 1 July 2024
	£'000	£'000
Chair of the Board basic fee	232.0	225.0

Non-Executive Director fees (annual equivalents)	Annual fees as at 1 July 2025	Annual fees as at 1 July 2024
	£'000	£'000
Non-Executive Director basic fee	62.0	59.8

Additional fee for:		
Vice Chair of the Board*	12.5	Not applicable
Senior Independent Director*	25.0	Not applicable
Board Audit Committee - Chair	27.0	24.3
Board Audit Committee - Member	13.5	10.1
Board Remuneration Committee – Chair	20.0	19.9
Board Remuneration Committee – Member	10.0	7.3
Board Risk Committee – Chair	27.0	24.3
Board Risk Committee – Member	13.5	10.1
Board Governance and Nominations Committee**	10.0	7.3
Board Environmental and Social Purpose Committee – Chair***	20.0	Not applicable
Board Environmental and Social Purpose Committee - Member***	10.0	Not applicable
Board Champion Roles (excluding where Champion Roles are held by the Vice Chair or Senior Independent Director)	3.0	Not applicable

*In 2024, the Senior Independent Director and Vice Chair was a combined role with a fee of £25,000.

**Fee does not apply to the Chair or Senior Independent Director

*** New Committee established with effect from 1 January 2025

We don't expect to review NED fees again—or Committee Chair and membership fees—until the second half of 2026.

Single total figure of remuneration for each Non-Executive Director

The basic and committee fees earned by our Non-Executive Directors in 2025 are outlined below. Non-Executive Directors don't receive any benefits, but they are reimbursed for expenses such as travel and subsistence, in line with the Society's expenses policy. This information has been independently audited by PwC.

Non-Executive Director	2025			2024		
	Basic Fees	Committee Fees	Total	Basic Fees	Committee Fees	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Annemarie Durbin	228.5	-	228.5	220.6	-	220.6
Guy Bainbridge (stepped down from the Board on 31 December 2025)	62	58.5	120.5	58.7	40.9	99.6
Peter Bole	62	23.3	85.3	19.9	3.4	23.3
Angela Darlington	62	53.5	115.5	58.7	33.7	92.4
Debra Davies	62	43.5	105.5	58.7	29.4	88.1
Elaine Bucknor (joined the Board on 26 September 2025)	16.2	3.5	19.7	-	-	-
Dina Matta (stepped down from the Board on 22 October 2025)	51.7	8.3	60	58.7	7.1	65.8
Mark Parsons	62	62	124	58.7	19.8	78.5
Janet Pope	62	30	92	10.7	-	10.7

The following pages set out the approved Director Remuneration Policy for our Executive Directors and Non-Executive Directors. The revised policy was approved by members at the Annual General Meeting ('AGM') on 23 April 2024 with 92.31% of the votes cast being in favour of the resolution.

Remuneration Policy

Our policy is designed to apply for three years, through to the AGM in 2027. We don't expect to make payments to Directors outside of this policy unless required by regulatory change. No changes are planned for 2026.

Our Remuneration Policy can be found on our website⁵².

Deferral and Share Equivalent Instruments (SEI)

We've updated how we handle bonus deferral to reflect the latest regulatory changes from the PRA and FCA. These changes make things simpler and easier to understand, while keeping risk management front and centre.

What's changing?

Shorter deferral period

From 2025 onwards, all bonus awards for Executive Directors and Material Risk Takers (MRTs) will be deferred over **four years**. Previously, deferral could stretch to five or seven years depending on role and pay level. Regulators have confirmed that most risk events happen within four years, so this new standard is both prudent and practical.

Pro-rata vesting

Deferred awards will now vest gradually from the grant date, rather than waiting three years for the first payment in the case of seven-year deferral. This means colleagues see the value of their bonus sooner, while we still manage risk responsibly.

Simpler structure

Half of every bonus will be paid in **cash upfront**, and the other half will be deferred in **Share Equivalent Instruments (SEIs)** over the four-year period. This keeps things straightforward and gives colleagues more clarity on when and how they'll be paid.

No retention period on deferred instruments

There's no longer a mandatory retention period after vesting for deferred SEIs. This change makes the process easier to manage and simpler for colleagues to understand.

Deferral thresholds

We've also adopted new rules on how much of a bonus must be deferred:

The first **£660,000** of any bonus is subject to **40% deferral**.

Anything above that is subject to **60% deferral**. Previously, Executive Directors had to defer 60% of their entire award, so this change is a welcome simplification.

Proportionality (de minimis) threshold

- The **previous proportionality threshold of variable pay above £44,000 no longer applies**. Instead, the rule now focuses on **total remuneration and proportionality**:
- Colleagues with **total remuneration above £660,000**, or
- Where **variable pay makes up more than one-third of total remuneration**, will still be subject to deferral.

This means fewer colleagues will need to defer bonuses, but some MRTs remain in scope because of the one-third rule. For example, under the old rules, 20 out of 25 MRTs receiving a senior leader bonus in 2024 were subject to deferral. Under the new rules, that number would have been just 11.

Length of time variable pay at risk

2025 Bonus	Delivery	2026	2027	2028	2029	2030
Up-front: April	Cash					
Deferred Year 1: April	SEI					
Deferred Year 2: April	SEI					
Deferred Year 3: April	SEI					
Deferred Year 4: April	SEI					

Malus and clawback: how we manage risk across the Society

All variable pay awards for Executive Directors and MRTs are subject to malus and clawback. This means awards can be reduced or recovered in specific circumstances, such as misconduct or material risk failure, ensuring accountability and alignment with long-term member interests.

Our malus and clawback provisions apply across the whole Society and are set out in our bonus scheme rules. They can be applied to individuals or groups where there's shared responsibility.

Malus can be applied up until an award vests. Awards are subject to clawback for up to ten years, and 100% of deferred bonus is open to future performance adjustments.

The Committee may consider applying malus or clawback in situations such as:

- A material financial misstatement (not due to a change in accounting practice)
- A significant drop in personal or Society-wide performance
- A serious failure in risk management
- Conduct that causes, or could cause, reputational damage
- Negligence or misconduct
- Fraud, or knowledge of fraud

No malus or clawback was applied in the last performance year.

These provisions were first approved by The Committee in 2014 and have been in place since. They're reviewed alongside our wider Remuneration Policy to make sure they stay fit for purpose.

Remuneration scenarios in relation to the Remuneration Policy in 2025

The chart below shows how remuneration could be split between fixed pay (base salary, benefits and pension) and variable pay (bonus) for the Chief Executive and other Executive Directors.

To bring this to life, we've used data for the CEO and CFO under three different scenarios:

- **Minimum** – where performance conditions aren't met, and no variable pay is awarded.
- **Target** – where Society and personal performance measures are achieved. This would result in a variable pay award of 75% of eligible pay for the CEO and 50% for other Executive Directors.
- **Maximum** – where stretch objectives are fully met. This could result in a variable pay award of up to 125% of eligible pay for the CEO and 100% for other Executive Directors.

These scenarios help show how performance shapes reward—and how our approach stays aligned with long-term sustainability and fairness.

Appendix 1 – AGM: Statement of Member Voting

We're committed to listening to our members. And we take voting outcomes seriously. Support for our policy has remained strong over the years:

Non-Executive Director	2019	2020	2021	2022	2023	2024	2025
To approve the Directors' Remuneration report	91.86%	91.32%	92.45%	91.77%	93.15%	92.89%	93.4%
To approve the Directors' Remuneration Policy	90.95%	n/a	91.58%	n/a	n/a	92.31%	n/a

Appendix 2 - Aggregate remuneration data (Pillar 3)

For full details on the Society's full Pillar 3 disclosure, please visit www.ybs.co.uk/your-society/financial-results.

This report contains the statutory disclosures required under the Building Societies Act 1986 ('the Act') and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority ('the DTR'). It also includes details of voluntarily applied disclosure requirements, including those in respect of the UK Corporate Governance Code ('the Code'), the Companies Act 2006 and the streamlined energy and carbon reporting ('SECR') rules.

Basis of Preparation

For the 2025 financial year we have applied the principles and complied with the provisions of the UK Corporate Governance Code 2024 (available on the Financial Reporting Council's website www.frc.org.uk) as far as they apply to Building Societies (as set out in the Building Societies Association (BSA) Guidance available at www.bsa.org.uk) other than where stated in the Corporate Governance Report.

