

SUMMARY DIRECTORS' REMUNERATION REPORT 2025

Debra Davies, Chair of the Remuneration Committee.

Remuneration Policy and member voting

The Remuneration Policy was approved by members on 23 April 2024, with 92.31% voting in favour. It is intended that the Policy will apply until the 2027 AGM. No changes are proposed for 2026.

At the 2026 AGM, members will get an advisory vote on the Directors' Remuneration Report. Building societies don't have to offer this vote, but we choose to. It's part of our commitment to openness and best practice.

You can find the full Directors' Remuneration Report in our Annual Report and Accounts at ybs.co.uk/annualreport

Recommendation

The Committee considers the Society's 2025 performance, operation of bonus arrangements under robust risk underpins, and the changes made to meet new regulatory requirements are in the long-term interests of members and the Society. The Committee therefore recommends members vote in favour of the 2025 Directors' Remuneration Report at the 2026 AGM.

Throughout 2025, the Committee ensured remuneration decisions supported the long-term interests of the Society and its members. And were made in a fair, consistent and transparent way.

Our bonus schemes – Our Bonus (for colleagues) and Our Senior Leader Bonus (for Senior Leaders, including Executive Directors) – worked as intended, with outcomes driven by financial performance and customer measures. Eligible colleagues received an average award of 10% of salary under Our Bonus. Senior Leader awards were based on Society scorecard outcomes and their individual objectives.

We oversaw a number of leadership transitions. We welcomed Simon Watson as Chief Customer Officer, and refreshed Committee membership, with Dina Matta stepping down and Peter Bole joining. I have confirmed my intention to step down after the 2026 AGM. Janet Pope will become Chair of the Committee.

We responded to the joint PRA and FCA policy statement on banking remuneration reform. As part of this, we simplified our deferral approach, updated vesting and proportionality thresholds, and kept our framework aligned with evolving regulatory expectations.



SEE THE ANNUAL REPORT AND ACCOUNTS AT [YBS.CO.UK/ANNUALREPORTS](https://ybs.co.uk/annualreports)



Governance and oversight

The Board Remuneration Committee is made up of independent Non-Executive Directors. It is supported by independent advice; this was from EY in 2025.

The People Risk Committee, which is a subcommittee of the Executive Risk Committee, monitors how our Policy works in practice. This includes conduct, risk and alignment with our strategy. Before any awards are made, our Business Controls Overlay provides an additional risk check.

Our approach to remuneration

Our reward approach aligns with our Purpose. It helps us attract and keep the leaders we need to create long-term value for members. We listen to colleagues through Aegis and our Colleague Forum. This helps us make sure our approach is fair and gender neutral. We also keep clear oversight of remuneration across the whole workforce.

Base salary

- **Susan Allen, Chief Executive:** no salary increase in 2025.
- **Tom Ranger, Chief Financial Officer:** 5.15% increase effective 1 September 2025. This reflects an expanded role, including Strategy and Corporate Affairs. It remains aligned to the market.

Variable pay and performance outcomes

Both of our Society-wide bonus schemes are based on threshold performance for **Core Operating Profit and Net Promoter Score (NPS)**.

In 2025 we exceeded the threshold on both measures, which supported the bonus pool and the outcomes for the year. All awards were reviewed through the Business Controls Overlay and considered in the context of member outcomes and capital sustainability.

- **Our Bonus** applies to all colleagues except Senior Leaders. The average outcome was 10% of salary.
- **Our Senior Leader Bonus** applies to Senior Leaders, including Executive Directors. Outcomes were based on Society scorecard performance and individual objectives, with risk underpins applied. For Executive Directors, the individual performance element was 10% for the Chief Executive and 16% for the Chief Financial Officer.

How variable pay is delivered for Executive Directors

From 2025, our approach follows the updated PRA and FCA framework.

- Deferral over four years for Executive Directors and Material Risk Takers.
- 50% paid in cash up front, and 50% deferred in Share Equivalent Instruments (SEIs), vesting on a pro-rata basis.
- The first £660k of any bonus is deferred at 40%, with amounts above £660k deferred at 60%.
- There is no mandatory post-vesting retention on deferred SEIs.
- Malus and clawback can apply for up to ten years.

Executive Directors' remuneration (audited single figure)

Audited single figure totals for 2025 will be presented in the full Annual Report and Accounts.

Executive Director	Role	Base Salary (£000)	Taxable Benefits (£000)	Pension (£000)	Total Fixed (£000)	Bonus (£000)	Total Variable (£000)
Susan Allen	Chief Executive	805	32	88	925	686	686
Tom Ranger	Chief Financial Officer	493	37	54	584	327	327

Past Executive Directors received no remuneration in 2025; details for 2024 were disclosed previously.

Colleague reward in 2025

To recognise performance and support the cost of living context, eligible colleagues received an average salary increase of around 3.3%. This included a core award of 3%, with a discretionary uplift for some colleagues. We also made a one-off payment of £200.

We continue to publish Chief Executive pay ratios using Option B, and the full details are set out in the Annual Report and Accounts.



WE ENSURE OUR APPROACH IS FAIR AND GENDER NEUTRAL

Non-Executive Directors' fees

We completed a full review of Board and Committee structure and time commitments in late 2024. As a result updated fee levels took effect on 1 January 2025. The Chair fee was reviewed separately and increased by 3% from 1 July 2025. We do not expect to review Non-Executive Director or Committee fees again until the second half of 2026.

Chair of the Board fee (annual equivalents)	Annual Fees as at 1 July 2025
Chair of the Board basic fee	£232,000
Non-Executive Director fees (annual equivalents)	Annual Fees as at 1 July 2025
Non-Executive Director basic fee	£62,000
Additional fee for:	
Vice Chair of the Board*	£12,500
Senior Independent Director*	£25,000
Board Audit Committee - Chair	£27,000
Board Audit Committee - Member	£13,500
Board Remuneration Committee – Chair	£20,000
Board Remuneration Committee – Member	£10,000
Board Risk Committee – Chair	£27,000
Board Risk Committee – Member	£13,500
Board Governance and Nominations Committee**	£10,000
Board Environmental and Social Purpose Committee – Chair***	£20,000
Board Environmental and Social Purpose Committee - Member***	£10,000
Board Champion Roles (excluding where Champion Roles are held by the Vice Chair or Senior Independent Director)	£3,000

* 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.

Single total figure of remuneration for each Non-Executive Director

The basic fees and Committee fees earned by Non-Executive Directors in 2025 are set out below. Non-Executive Directors do not receive benefits or variable pay. They can claim expenses for costs such as travel and subsistence. This information has been taken from the audited 2025 Annual Report and Accounts.

Non-Executive Director	2025 Basic Fees (£000)	2025 Committee Fees (£000)	Total (£000)
Annemarie Durbin	228.5	0	228.5
Guy Bainbridge (stepped down from the Board on 31 December 2025)	62	58.5	120.5
Peter Bole	62	23.3	85.3
Angela Darlington	62	53.5	115.5
Debra Davies	62	43.5	105.5
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
Mark Parsons	62	62	124
Janet Pope	62	30	92