

2020 AGM - CHAIRMAN'S SCRIPT

Opening

Good afternoon, ladies and gentlemen. Welcome to the Annual General Meeting of Yorkshire Building Society.

To begin, I would like to introduce myself – I am John Heaps, the Society's Chairman.

Even in these unprecedented circumstances at this extraordinary time, like all building societies, we must, by law, hold an AGM. Throughout the outbreak of Covid-19, our priority has been to protect the wellbeing and safety of our members and colleagues, whilst providing our communities with the essential financial services they need and meeting our legal obligations.

In accordance with the Society's Rules, this meeting was opened outside The Met Hotel, in Leeds, at 2.30pm this afternoon and adjourned after 30 minutes, as the required minimum of 15 voting members were not in attendance for the meeting to validly take place. The meeting was adjourned to 4pm, here at the Society's Head Office at Yorkshire House in Bradford.

This has enabled the AGM to take place safely and legally with members who are also Yorkshire Building Society colleagues, and who were already working from this location.

Please be assured, we are protecting the wellbeing and safety of these colleague members and ensuring we are helping the national effort to prevent the spread of this terrible virus by strictly following all government guidance and putting in place extensive social distancing measures to protect our

people. Our colleague members are dialling in but are physically present in the office and are able to fully participate in the meeting.

I'd like to personally thank our member colleagues for their assistance in enabling us to hold our AGM today.

I can now advise you that our Group Secretary, Simon Waite, has confirmed to me that we have a quorum present here at the Head Office of the Society and as such we can now proceed to business.

Before we start the meeting, I would like to mention a couple of housekeeping points:

- We are not planning to test the fire alarms today, so if the alarms do go off, please leave through the nearest fire exit and assemble in the car park.
- Secondly, could I ask you to please ensure that your mobile phones are switched off and for those on the telephone lines that you place the call on mute.

Thank you.

I would like to start this meeting by introducing your Board and Executive team. My colleagues who are here in the room with me are:

- Mike Regnier, Chief Executive and Simon Waite, Group Secretary.

On the phone, but in Yorkshire Drive, we have:

- Alasdair Lenman, Executive Director and Chief Finance Officer;
- Stephen White, Executive Director and Chief Operating Officer;

On the phone we also have:

- Non-executive Director Mark Pain (who is also Vice-Chairman and Senior Independent Director);
- Guy Bainbridge, Non-executive Director and Chair of the Audit Committee;
- Neeta Atkar, Non-executive Director and Chair of the Group Risk Committee;
- Guy Parsons, Non-executive Director and Chair of the Remuneration Committee;
- Non-executive Directors Alison Hutchinson and Gordon Ireland. Catharine French, who is the newest addition to your Board having joined on 1st April 2020, is unable to join the call, will seek election at the AGM in 2021.

We are also joined on the phone by representatives of our Auditor, PricewaterhouseCoopers LLP, our legal advisers, Addleshaw Goddard and the independent scrutineers, Civica Election Services.

This is a meeting of the members of the Yorkshire Building Society.

The Notice of the Meeting was sent to all members eligible to attend and I propose that it be taken as read. I trust this is acceptable to you?

[If there is any dissent, Simon Waite will read the Notice]

I would like to address a point that was included in an insert into the AGM mailing regarding Resolution 4 in the Notice of Meeting, which invited members to vote upon a revised Remuneration Policy for our executive directors. The aim of the amendment to the Policy was to increase the bonus opportunity for the executive directors (subject to appropriate performance

and other measures). However in the current climate the Remuneration Committee decided that it would not now be the right decision to propose Resolution 4 to the meeting. This means that, notwithstanding its inclusion in the Notice of Meeting, Resolution 4 has been formally withdrawn from the Notice of Meeting, as notified to members in the insert that was distributed within the AGM mailing pack and AGM email sent to qualifying members and any votes in respect of this resolution (whether received by post or online) have been discounted. I can confirm that the Remuneration Policy, as approved by the members at the 2019 AGM, will remain in effect.

Thank you.

Before we turn to the formal business set out in the Notice and voting on the resolutions, I would like to set out our agenda for this meeting.

- First of all, I will say a few words about your Society;
- Mike will then give you a brief update on the Society's 2019 performance and details of how we are responding to the impacts of Covid-19.

As members who are not colleagues are unable to attend this meeting due to the government restrictions designed to reduce social contact, we are answering members' questions in a different way this year.

Instead of a question and answer session at this meeting, members have called, emailed or written with their questions. We have responded to all of these queries directly, and if we receive more, we will continue to answer them as quickly as we can. As I'm sure you will appreciate, our contact centre colleagues have been extremely busy providing essential support to vulnerable members in need financial assistance at this challenging time.

As a mutual business, we have always been driven by our social purpose, which is to help people secure a place to call home, improve their financial wellbeing and create value for our members, our colleagues and our communities. Now, more than ever, our purpose remains centrally important to who we are.

Working together to strive for these ambitions is how we can make the biggest contribution to society. This is Real Help with Real Life and with this purpose-driven strategy, we are putting members, customers and their communities at the centre.

Crucially, I am pleased to say that the Society is in a robust position, following a good 2019 performance. Our capital and liquidity ratios are strong and our profit levels are sufficient to support the Society throughout this time. Our hard work over the last five years means we are well-placed to weather these difficult times and carry on supporting our customers with the things that matter to them.

I will now hand over to Mike, who will give an overview of our performance over the last year and talk about how we are helping members, colleagues and communities with the impacts of Covid-19.

Closing presentation

Thanks Mike.

I would like take this opportunity to thank our colleagues for their unwavering commitment, dedication and professionalism, particularly at this time. Our colleagues make us who we are and I am extremely impressed with all of them, for the focus they have shown every day in supporting our customers and each other and delivering an exceptional customer experience in extremely challenging circumstances.

I would also like to say thank you to you and all our members for your continued support and loyalty to the Society.

As I mentioned in my opening remarks, a new member has joined your Board since our last AGM. Catharine French joined us on 1st April 2020 and has excellent experience of the financial services sector. She has worked with governmental departments and for the Bank of England and Financial Services Authority. Prior to joining YBS, Catharine spent 16 years with Barclays, most recently as Chief Administrative Officer and a member of the Executive Committee for Barclays UK.

We now turn to the formal business of the meeting. This is where you will be asked to vote on the resolutions set out in the Notice of Meeting, which was included on page 25 of the Annual Review 2019 section of your AGM pack. I formally propose the following:

- Resolution 1, which is an ordinary resolution to receive the Directors' Report, the Annual Accounts, the Annual Business Statement and the Auditors' Report for the year ended 31 December 2019;
- Resolution 2, which is an ordinary resolution to approve the re-appointment of PricewaterhouseCoopers LLP as auditor of the Society to hold office until the conclusion of the next Annual General Meeting;
- Resolution 3, which is an ordinary resolution to approve the Directors' Remuneration Report for the year ended 31 December 2019;
- Resolution 4, as notified in the AGM mailing has been withdrawn;
- Resolutions 5 to 14, which are to re-elect as directors, Neeta Atkar, Guy Bainbridge, myself John Heaps, Alison Hutchinson, Gordon Ireland, Alasdair Lenman, Mark Pain, Guy Parsons, Michael Regnier and Stephen White.

I will call a poll on each resolution and on the re-election of Directors. This will enable the votes of all voting members, including those voting by proxy, to be included in the count by our independent scrutineers, Civica Election Services.

First of all, I would just like to check that all members who wish to vote have done so. I am advised that prior to the meeting each of the members present have been contacted direct and confirmed that you have either voted by proxy or do not wish to vote. If anyone wishes to vote please speak up now.

[pause]

That now concludes the voting and I therefore declare the poll closed.

We have agreed to make a donation to our charity partner, End Youth Homelessness, of 15 pence for each postal vote received and 25 pence for each online vote, which means almost £20,000 has been raised, so thank you very much for your support for this very worthwhile charity.

I have the results of the votes already cast by proxy before this meeting including those which I, as Chairman, have cast as proxy. Civica Election Services have confirmed, just before the start of this meeting, that there have been no changes to the proxy vote results and therefore I can confirm the voting results on the following resolutions as follows:

The voting on item 1 relating to the Directors' Report, the Annual Accounts, the Annual Business Statement and the Auditors' Report for 31 December 2019:

99.12% voted in favour

Voting on item 2 to approve the re-appointment of PricewaterhouseCoopers LLP as Auditor:

96.18% voted in favour

Voting on item 3 to approve the Directors' Remuneration Report for 2019:

91.32% voted in favour

As referenced earlier, item four has been withdrawn.

Voting on item 5 to re-elect Neeta Atkar

96.48% voted in favour

Voting on item 6 to re-elect Guy Bainbridge

96.48% voted in favour

Voting on item 7 to re-elect John Heaps

96.50% voted in favour

Voting on item 8 to re-elect Alison Hutchinson

97.03% voted in favour

Voting on item 9 to re-elect Gordon Ireland

96.29% voted in favour

Voting on item 10 to re-elect Alasdair Lenman

96.39% voted in favour

Voting on item 11 to re-elect Mark Pain

96.40% voted in favour

Voting on item 12 to re-elect Guy Parsons

96.22% voted in favour

Voting on item 13 to re-elect Michael Regnier

96.25% voted in favour

Voting on item 14 to re-elect Stephen White

96.53% voted in favour

Based on all the voting results, I declare that all of the resolutions are passed.

The results will be available on the Society's website tomorrow and in our branches from Friday 1st May.

That concludes the formal business of the meeting and I now declare the meeting closed.

Thank you.