

Your Chairman, John Heaps, answers questions on the role of the directors that represent you.

What does the role of Chairman involve?

My main focus is to ensure good governance, which is the foundation of an effective Board, and to make sure we provide a safe place for your money. This means having a clear strategy and strong risk controls, all of which underpins our continued financial strength. Everything we do is customer focused to ensure we act in your best interests.

What skills and experience do the directors bring to the Board?

The directors have a range of skills and experience to ensure they are able to manage a major financial institution, with a mix of business experience as well as specialist skills.

“EVERYTHING WE DO IS CUSTOMER FOCUSED TO ENSURE WE ACT IN YOUR BEST INTERESTS”

Your Board is made up of executive directors who work full time for the Group, as well as a number of non-executive directors who are not employees (including myself) and who are independent.

You can find out more about your directors and what they bring on the following pages.

How are the Board elected?

The running of the Society is the responsibility of your Board of directors. Each year we ask you, our members, to vote on the election of new directors appointed by the Board or re-election of existing directors at the AGM.

How has the Board changed over the last year?

Chris Pilling, who served as Chief Executive for five years, stepped down from the Board in December 2016. Chris provided outstanding and strong leadership with a commitment to ensuring our members interests were at the centre of all activity. I would like to thank him for his outstanding contribution and we all wish him well for the future.

Chris was succeeded by Mike Regnier, who joined the Board in 2014 as Chief Commercial Officer and Executive Director and became Chief Customer Officer in December 2015. In this time, Mike has demonstrated a strong commitment to mutual values, considerable commercial command and an engaging style of leadership. These qualities, together with his clear strategic outlook, will ensure we continue to deliver long term value and excellent service.

After 25 years with the Group, Andy Caton, Chief Treasury & Corporate Affairs Officer and Executive Director, stepped down from the Board in December 2016.

Non-executive directors, Dame Kate Barker and David Paige, are due to retire from your Board at the conclusion of the 2017 AGM. I would like to thank Chris, Andy, Kate and David for their support, commitment and personal contribution they have made to the Group's success.

In February 2016 Stephen White joined the Society as Chief Operating Officer and Executive Director. Stephen's election was approved by members at the 2016 AGM.

John Heaps, Chairman

DIRECTORS FOR RE-ELECTION

Robin Churchouse, MA, ACA Finance Director

■ Joined the Society in 2004. Robin joined the Society as Head of Finance before being promoted to the executive management team in 2006 with responsibility for Risk and Strategy. In 2010, he was appointed Finance Director. In January 2014 he took on additional responsibility for the Property and Shared Services function, and in late 2015 the Customer Service and Collections and Arrears functions, until they were

transferred to the new role of Chief Operating Officer in May 2016.

Robin has responsibility for the Corporate Strategy and Planning, Finance and Capital Management functions and in December 2016 he took responsibility for the Treasury and Asset and Liability Management functions, on the departure of Andy Caton.

Before joining the Society, Robin gained a wide range of experience across a



number of financial services organisations, including roles in finance, planning and strategy, management consultancy, corporate finance, risk management and prudential regulation.



John Heaps, LLB Chairman

- Joined the Board in 2014 as Chairman Designate, becoming Chairman in 2015
- Chair of the Board Governance and Nominations Committee
- Member of the Law Society Business and Oversight Board, as well as the International Bar Association Audit and Constitutional Committees
- Trustee of Garden Bridge Trust.

John, a lawyer by training, has extensive commercial and leadership experience. He is the former Chairman of corporate law firm Eversheds from where he retired in April 2015. He also served on its board from 2008, and was part of the senior management team since 1999. As Chairman, he was ultimately responsible for Eversheds' regulatory compliance. John contributed significantly to the development of the firm's long term strategy and helped drive considerable change as it grew from a group of affiliated UK offices into a major international law firm.

DIRECTORS FOR RE-ELECTION

Alison Hutchinson, BSc, CBE

Independent Non-executive Director

- Joined the Board in 2015
- Member of the Audit Committee and Remuneration Committee
- Chief Executive of The Pennies Foundation and a non-executive director of Aviva Life Holdings Ltd.

Alison has a strong background in both IT and financial services, having started her career at IBM where she became Global Director of Online Financial

Services. In 2000, she joined Barclays Bank where she held senior management positions including Marketing Director of Barclaycard. In 2004 she moved to specialist mortgage provider Kensington Group, where she was Managing Director and then Group CEO, leading the successful sale of the business to Investec in 2008. In 2016, Alison was awarded a CBE for services to the economy and charities.



Gordon Ireland, BSc, FCA

Independent Non-executive Director

- Joined the Board in 2015
- Member of the Group Risk Committee
- Non-executive director of Aspen Insurance Holdings Ltd (where he is Chair of the Audit Committee and member of the Risk Committee) and Aspen Insurance UK Ltd; non-executive director of Iccaria Insurance ICC Ltd.

Gordon is a chartered accountant and spent 36 years working for PwC, including 24 years as partner, where he specialised in the financial services sector.

This included auditing many of the UK's leading insurance companies, as well as acting as an audit and review partner. His role included Vice Chairman on PwC's UK supervisory board and Chairman of the partner admissions panel and senior management remuneration committee.

Gordon represented PwC on external technical advisory groups at UK and European level. Following this, he was CEO of a professional indemnity captive insurer of PwC's network.

DIRECTORS FOR RE-ELECTION

Mark Pain, BSc, FCA

Independent Non-executive Director & Vice Chairman

- Joined the Board in 2013, appointed Vice Chairman and Senior Independent Director in 2015
- Chair of the Audit Committee, member of the Group Risk Committee and the Board Governance and Nominations Committee
- Non-executive director of Aviva Insurance Ltd and Ladbroke's Coral Group Plc; Chair of London Square Developments (Holdings) Ltd and non-executive director of LSQ Management Ltd.

Mark has nearly 20 years' experience at director level roles within FTSE 100 companies across the financial services and residential properties sectors. He spent 16 years with Abbey National Group, including roles as Group Finance Director, CEO of Abbey National Treasury Services and Customer Sales Director. Mark has held a number of non-executive positions across several sectors and was previously Group Finance Director at Barratt Developments Plc.



Guy Parsons, BA

Independent Non-executive Director

- Joined the Board in 2013
- Chair of the Remuneration Committee
- Chief Executive of easyHotel Plc and easyHotel Uk Ltd.

Director for TGI Fridays. In 2004 he joined Travelodge, becoming CEO in 2010 and successfully growing the business to over 500 hotels in the UK, Ireland and Spain.

Guy has more than 25 years' experience of director-level roles in the leisure and hospitality industry, including director of Accor UK, where he was responsible for sales, marketing and operations for the Novotel hotel chain. He has also held director positions at Whitbread Plc where he was Managing

DIRECTORS FOR RE-ELECTION

Mike Regnier, MEng, MBA Chief Executive

- Joined the Board in 2014
- Appointed Chief Executive on 1 January 2017.

Mike joined the Society in 2014 as Chief Commercial Officer & Executive Director and became Chief Customer Officer in December 2015, responsible for the Group's Branch Network, Product Development, Marketing, Customer Experience and Customer Relations functions.

He is also a director of Accord Mortgages Ltd, the Society's intermediary lending subsidiary.

Prior to joining the Society, Mike was with Lloyds Banking Group where he held a number of senior positions, including Personal Current Accounts & Credit Cards Director. Most recently, he was the Products & Marketing Director for TSB where he was responsible for the



re-launch of the TSB brand on the UK high street in 2013. He has also held management positions at ASDA and the Boston Consulting Group.



Stephen White, BComm Chief Operating Officer & Executive Director

- Joined the Board in 2016.

Stephen is responsible for the Group's Operations functions, including Lending, Customer Services, Arrears and Collections, Property and Procurement, the Group's IT, Information Security and Change Management.

Stephen has 20 years' experience in financial services, most recently as Group Chief Operating Officer at Allied Irish Bank.

His previous roles also include Executive General Manager at National Australia Bank and management roles at Ernst & Young, Royal Bank of Scotland and Abbey National, where he started his career as a branch manager.