
MINUTES OF THE 170th ANNUAL GENERAL MEETING OF SKIPTON BUILDING SOCIETY HELD AT THE PRINCIPAL OFFICE, THE BAILEY, SKIPTON ON MONDAY 24 APRIL 2023 AT 5:30PM

The Society Chair, Gwyn Burr, was in the Chair. The meeting was attended by the Board and the Secretary together with 40 eligible members of the Society. Approximately 309 members watched the meeting online via the live stream.

**CHAIR'S OPENING
REMARKS**

The Chair introduced herself and the rest of the Board, and welcomed members to the meeting, both in the room and via the live streaming of the event.

She outlined the meeting agenda and explained that members' questions could be raised either in the room or submitted via the live stream platform. The Chair advised the Secretary had confirmed the meeting was quorate and she formally declared it open.

CHAIR'S ADDRESS

The Chair addressed the meeting, explaining the Society was shortly to celebrate its 170th anniversary, and that the Society was still making decisions based on the long-term best interests of its members. The Society's purposes of helping more people have a home, saving for their life ahead and supporting their long-term financial well-being were still as fundamental as they had been in 1853.

2022 had seen membership numbers grow to 1.14m, savings grow by 13.6% and, a record, nearly 30k mortgages completed, with several external awards also having been won.

The Society's future priorities would be ensuring members earned above market interest rates on their savings, providing access to free financial advice, helping more people into homes, and making membership matter. Investment would continue to be made into the Society's colleagues and into a reduction in its environmental impacts, and in supporting members to live in more energy efficient homes.

She explained some recent Board and Society Secretary changes and their rationale, adding that it was important for the Society to be able to attract to its Board: to this end she would be benchmarking director fees during 2023. The Chair then invited the Group Chief Executive, Stuart Haire, to share his vision for the business.

**GROUP CHIEF
EXECUTIVE'S
ADDRESS**

Stuart Haire introduced himself, explaining his background and reasons for joining Skipton. He also set out his plans for both the Skipton Group and to help address some of the significant challenges facing prospective future, and existing, borrowers, and those members with relatively modest savings who still needed financial advice.

He explained how profits had been reinvested to give all current members access to a free home EPC+ assessment and report. He was also looking at ways to assist people in moving from rental properties into owning their own homes. He reported how over £100m had been given to savers by the Society paying above average savings interest rates; £11.5m had been awarded to Society colleagues in increased pay; and charitable donations of £1.3 had been made in 2022, with a commitment to donating 1% of future group profits to charitable causes going forwards.

He then invited Bobby Ndawula to report on the Society and Group's 2022 performance.

**GROUP CHIEF
FINANCIAL**

Bobby Ndawula reported an exceptionally strong performance in 2022, advising that savings balances had grown by a record 13.6%, up to £22.5bn; with an average

**OFFICER'S
ADDRESS**

savings rate of 1.16% - 52bps above market average, equating to £105m extra interest paid to savers. Also, there had been record ISA openings, securing a 13.8% share of the fixed rate ISA market.

The Society had been the first to launch a Lifetime ISA product and in 2022 its members had earned over £59m in government bonuses.

The Society had lent £5.8bn in mortgages in 2022 and, whilst the bank base rate increased by 3.25%, only 1.5% had been passed on to variable mortgage holders, resulting in an average saving of around £1,300 in a year. 13,800 first time buyers had been granted mortgages, and total mortgage balances had grown by 9.6%, taking the mortgage portfolio to £25bn.

Group profit before tax had increased to £298m, £27m more than 2021. Strong liquidity levels had been maintained throughout the year and customer satisfaction scores had remained high.

Connells group had generated profits of £67m, reflecting a challenging housing market in 2022.

Skipton International Limited had made a profit of £40m, up from £25m in 2021.

**MEMBERS'
QUESTIONS**

The Chair thanked Bobby Ndawula and confirmed that she would be taking any members' questions received through the live stream, or in the room, and responding to questions already raised by members ahead of the AGM.

The Chair firstly answered a member's question raised ahead of the meeting about rising interest rates. She explained that, as a building society, it was money from savers that was lent to borrowers, enabling them to own their own homes. She believed the right balance had been struck between rates paid to savers and rates charged to borrowers, as Bobby Ndawula had explained in detail. Rates were kept constantly under review.

In response to another question raised ahead of the meeting, the Chair advised that executive pay was set by the Remuneration Committee, which was made up of independent Non-Executive Directors supported by external professional advisers, and benchmarked against the market to ensure it was appropriate in comparison to peers, and sufficient to attract and retain the best people with the skills and capabilities to run the large and complex Skipton Group, which now employed over 18,000 people.

The Chair then invited members present either in the room or via the live stream to raise any questions they had which were relevant to the business of the meeting.

The Chair advised an online question had been raised on ESG and the Society's plans for achieving net zero. She explained the Society's aim was to halve operational emissions to 2023 and achieve net zero in its operations and value chain by 2045. Monitoring of the Society's lending portfolio was being undertaken, and work was underway in relation to 'Scope 3' to screen its suppliers.

The Chair advised that a question had been received online regarding colleague remuneration increases. She explained an exercise had been undertaken in 2022 to benchmark Society colleague pay to the market, as salaries for a number of roles these had been allowed to drift from benchmark for a few years. An exercise had therefore been undertaken to ensure the Society was paying market median rates, along with a standard of living rise.

A member online asked how the Society could use its unique presence in the housing market to influence government housing policy. Stuart Haire explained three areas came to mind. The first was access to available, affordable housing which needed government support, and dialogue on this was already underway.

The second was the large number of Victorian and Georgian housing stock in the UK, and the work which needed to be undertaken to bring this up to standard, and the support which could be provided by the government to undertake this.

The third area was in the availability of social housing for those who needed it. The Society would have a voice in discussions regarding upgrading private sector rental requirements and the availability of public rented housing stock.

In response to a further online question regarding cyber risk, the Chair explained that regular, ongoing security checks were carried out on the networks, systems, and websites, using different methods to identify any vulnerabilities. The Board sub-committees regularly reviewed any potential risks, and this was a major point of focus for the Board.

A member queried whether the Society would look at offering a regular saver account. Stuart Haire acknowledged that a regular saver product was currently missing from the product range and that this matter was on the radar.

A member queried diversity of the Board. The Chair advised the Society was a signatory of the Women in Finance charter and had set a target of 40% of females in its senior leadership roles by 2022, which was now being stretched to 45%. This was a matter which was taken very seriously throughout the organisation, and she set out the many ways in which this was being addressed.

The Chair thanked all members for their questions.

RESOLUTIONS

The Chair then advised that the Board recommended that members vote in favour of all the resolutions, reminding them that only members in the room could vote and that all members joining online had been given the opportunity to vote prior to the event.

She read each of the resolutions, as listed on the notice of the meeting, and asked members to record their votes for each one on their voting papers. She then asked the Society's auditors to collect the completed voting forms and confirmed that the scrutineers would then count those votes.

Once the voting forms had been collected, the Chairman declared the business of the meeting concluded. She advised that final voting results would be displayed in the room in around 15 minutes' time and confirmed that the preliminary results, from the 59,655 votes already cast by proxy, of which 37.7% had been submitted online, were as follows:

		For	Against	Withheld
Resolution 1	To receive the Annual Report & Accounts	58,731	504	429
Resolution 2	To re-appoint Ernst & Young LLP as auditors	57,024	1,956	680
Resolution 3	To approve the Directors' Remuneration Report for the year ended 31 December 2022	53,513	4,846	1,297

Resolution 4.1	To elect Iain Alexander Cummings	56,875	1,744	1,045
Resolution 4.2	To elect Stuart Arthur Haire	56,664	1,966	1,032
Resolution 4.3	To re-elect Andrew Paul Bottomley	56,671	2,009	984
Resolution 4.4	To re-elect Gwyneth Victoria Burr	56,916	1,877	870
Resolution 4.5	To re-elect Denis Arthur Hall	56,561	2,079	1,025
Resolution 4.6	To re-elect Heather Louise Jackson	56,933	1,922	809
Resolution 4.7	To re-elect Mark Joseph Lund	56,438	2,222	1,005
Resolution 4.8	To re-elect Philip Wynford Moore	56,761	1,913	989
Resolution 4.9	To re-elect Robert Samuel Duncan Mugenyi Ndawula	56,785	1,969	909

The Chair noted these interim results demonstrated that an overwhelming majority of members were supportive of the Board and its current business strategy for success. The final voting results would be displayed on the website and in branches from the following day.

She thanked members for attending and welcomed any feedback on the experience, confirming directors would be available to meet with members in the room, in person, after the event.

CLOSE OF MEETING The Chair then closed the meeting.