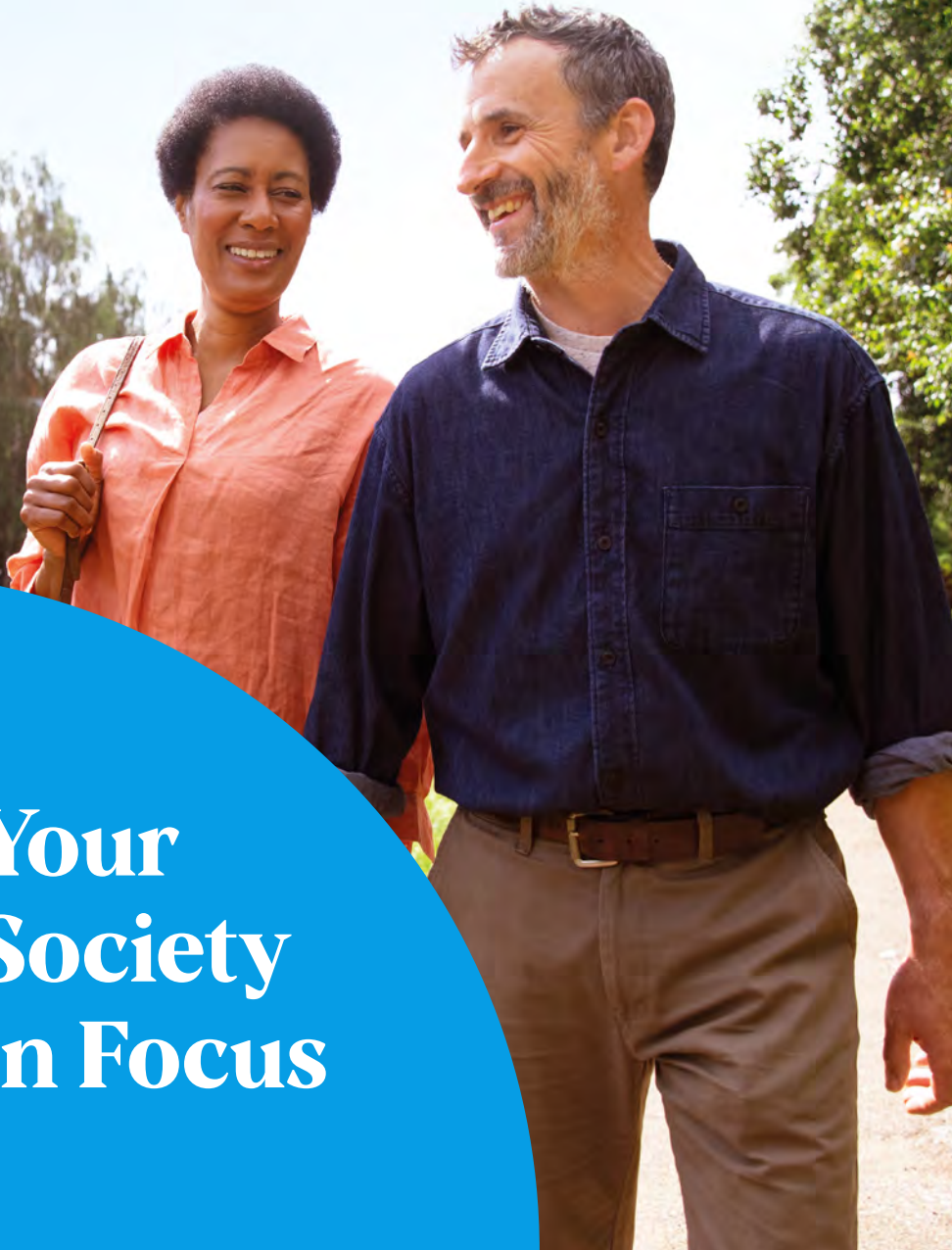


SKIPTON
BUILDING SOCIETY



AGM
2023



**Your
Society
in Focus**

Welcome

to 'Your Society in Focus' where you'll find a review of our achievements in 2022 and information on how you, as a member, can cast your vote at our Annual General Meeting (AGM).



2022 was a year of significant change, with challenges such as the rise in the cost of living having a profound impact on our communities across the UK. And while we had to navigate such uncertainty, being member-owned meant that we kept the long-term interests of our savers and borrowers firmly in mind. We've been supporting our members through both good and challenging times since 1853.

Our members

Against the economic challenges this year, we're proud that the Society, supported by our Group companies, still performed strongly and generated record profits, which enabled us to provide great products and services at moments that matter to you.

Staying true to our purpose, we have continued paying savings rates above the

market average (the average savings rate we paid in the 12 months to December 2022 was 0.52% above the rest of market average for banks and building societies*). We enabled people to re-mortgage or buy a new home – including over 13,800 first-time buyers – and helped many younger people save in a Lifetime ISA, supporting them to buy their first house or save towards their retirement. We also continued to provide financial advice to customers looking to make their money work hard over the long-term.

Our communities

It's essential that businesses take action to help tackle the profound environmental and social challenges our country and our planet face. We have set ourselves stretching environmental, social and governance (ESG) targets and introduced Group ESG

standards to hold ourselves to high levels of accountability. These are all outlined in our Group Responsible Business Report (available on [skipton.co.uk](https://www.skipton.co.uk)), which shares our sustainability commitments, progress and ambitions across the Skipton Group.

As part of this, we're taking important steps to help our homeowners (including landlords) identify ways they could reduce the environmental footprint of their homes by offering them a free report (EPC Plus) which gives recommendations for energy efficiency improvements. We've also pledged to donate 1% of 2022's Group profit before tax to charitable causes.



The Society performed strongly enabling us to provide great products and services at moments that matter to you.



Our colleagues

We know the Society is only as strong as the team who work here, and we are committed to being a diverse and inclusive organisation, one that reflects the communities in which we serve.

Against economic challenges in 2022, the Society undertook a huge exercise to make sure the salaries we pay are fair compared to equivalent roles in other businesses nationally. We also made a one-off cost of living payment to all colleagues below senior leadership level to support them and their families.

Your Board

I'm delighted to announce that Stuart Haire joined the Board as Group Chief Executive at the end of 2022. Stuart has joined us from HSBC and brings a wealth of financial services experience and a clear vision to continue the Group's growth and development.

I'd like to express my thanks to Ian Cornelius, who between April and December, led the Group as Interim Group Chief Executive with diligence, energy and professionalism. After over ten years with the Society, Ian has decided to pursue the next chapter in his career and left the Society at the end of February. He played a crucial role in the development of our products and services to support our members and I wish him every success in the future.

Looking forward to 2023

We remain committed to sharing our financial success with our members, colleagues and communities – helping people find their good place through savings and investments, realising their home ownership aspirations, and building a better, more sustainable Society.

Gwyn Burr
Chair

* Rest of market as defined in CACI's Current Account and Savings Database, Stock, including fixed and variable rates. CACI is an independent company that provides financial benchmarking data from over 34 savings providers, who together hold £1.016tn of cash in savings accounts as at end December 2022.

Our year in numbers



Savings

13.6%

growth in savings balances

199,149

new savings accounts opened

Delivered **£104.7m** of additional benefit to our savers by paying interest rates **0.52%** above the rest of market average*



Community

£734,287

donated to charities
and community groups

264

charities/community groups helped by
our Branch Community Giving scheme

£67,773

Donated to our charity partner Mental Health UK (boosting the total since 2020 to over £500k)



Mortgages

9,423

more mortgage members than 2021

9.6%

growth in Group mortgage balances

13,803

first-time buyers helped onto the property ladder



Members

85%

net customer satisfaction

(survey of 6,925 customers
January - December 2022)

40,191

Financial Advice & Review meetings to help members plan for their future

1.2m

interactions with our contact centre team - from account opening to customer queries

£3.9bn

funds under management for our financial advice customers



Colleagues

94%

of our colleagues are proud to work for Skipton



Voted 3rd in the UK's Best Big Companies to Work for 2022 list



INVESTORS IN PEOPLE

Investors in People Platinum Standard

* Rest of market as defined in CACI's Current Account and Savings Database, Stock, including fixed and variable rates. CACI is an independent company that provides financial benchmarking data from over 34 savings providers, who together hold £1.016tn of cash in savings accounts as at end December 2022. Additional interest calculation based on rate differential and Skipton savings balances in 2022

Meet our new Group Chief Executive

Stuart Haire shares his first impressions and looks ahead to how the Skipton Group can continue to provide products that matter and great service to members.



“

We have a unique opportunity at Skipton to help people plan for their future with our strong blend of relevant knowledge, empathetic people and well-designed solutions.

”

You can find out more about the Skipton Building Society Group (Skipton Group) at [skipton.co.uk](https://www.skipton.co.uk)

What are your thoughts on Skipton Building Society so far?

It's immediately clear that the business has been well run and provides an excellent platform to further support members' interests now and in the future. It appears that this has been true throughout the Society's proud history. With the current difficulties our communities face, we're in good shape to help people into (greener) homes, save for life ahead and support long term financial wellbeing.

What has also impressed me is the talent of our colleagues. I'll challenge them to continue to be customer champions, be ambitious, and take ownership to help us move forward.

What are you most excited about in your new role?

Importantly, to me this is not a turnaround, it's a new chapter. The Group platform allows us to support members and customers in every stage of the homeownership process – saving, buying, protecting, greening, selling and investing. This platform is delivered through skilled and caring colleagues and I want to help them to thrive and continue to serve customers in ways that other businesses haven't thought possible.

I've taken on similar roles before and the best way for me to have a positive impact is to bring energy and passion and make sure that I always provide clarity, for everyone, so we're able to hold each other to account in pursuit of the same goals.

What can Skipton do to make sure we're relevant to members?

I'm always mindful that member is not a holistic term. There are those who want help onto the property ladder, those looking

for guidance about their financial needs. But what connects it all is when they come to us they expect to find someone who they trust, who listens and encourages them to take the right steps.

To continue to serve these needs, we can't stand still, we must make membership matter by offering services that are not replicated elsewhere. This can mean investing for the future alongside delivering value now.

What can members expect now you've joined Skipton?

I joined Skipton because of the mutual status, not despite it. My passion is helping people live their best life through their finances. Wealth is a significant factor in dictating quality of life and I don't take for granted the responsibility of my position and feel it's our obligation as a building society to help people better manage their money and home ownership. With our diverse business model, we have a unique opportunity at Skipton to help people plan for their future with our strong blend of relevant knowledge, empathetic people and well-designed solutions.

Where do you see the future of Skipton Building Society?

The future is simply to become a modern mutual - utilising the strengths of the entire group for strong and diversified growth. Helping more members and customers with their homeownership and financial planning needs. And that comes through encouraging a proactive mindset, empowering everyone to seek out ways to serve complex customer needs with passion and create propositions that deliver for members and positively impact society.

Focused on what matters to you

From making sure our branches are well staffed to introducing new ways to simplify your experience, we always listen to your feedback and strive to make improvements that help you get the most from your membership.



Here's what we did in 2022:



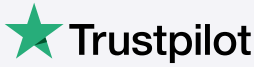
Savings, with added interest

We delivered value for our savers. We increased the rate of many of our variable products following the base rate increases and the average savings rate we paid in the 12 months to December 2022 was 0.52% above the rest of market average for banks and building societies*. We also introduced accounts that give you more choice and control over how you can manage your money.



Supported you on the property ladder

For mortgage members, we held back increases on our variable rates, where possible, despite base rate rises and extended the time you can switch your mortgage deal from 3 to 6 months before the end of the initial deal period. We also introduced a more efficient option for you to go paperless on offers and statements. And together, we've helped over 13,800 first time buyers get the keys to their very first home.



Rated "Excellent"
February 2023

We're very proud to be rated excellent on Trustpilot. Here's what some of our customers had to say about their experience:

"Going into branch you always feel like a valued customer. A member of staff comes to say hello and asks if they can help as soon as you walk in."

November 2022

"Excellent service from staff who succeeded in being approachable, friendly and knowledgeable while always remaining professional."

November 2022



Helping you make a positive change

With well documented increases to energy prices having an impact in our communities, we've collaborated with Vibrant (who are part-owned by Connells Group, a Skipton Building Society Group company), to offer a free home energy efficiency report for all homeowners for homes built more than 10 years ago. We launched the EPC Plus offer to give our members the opportunity to understand how they could reduce the environmental footprint of their homes, what funding may be available, and potentially save money on their energy bills.



Doing more to help you stay SAFE

We have continued to keep our SAFE hub on our website as current as possible, helping you keep your money away from fraudsters and stopping them in their tracks. And, we've further demonstrated our commitment this year by introducing social media and email updates to keep you in the know when it comes to the latest scams.



Looking to the future

In 2023 and beyond, our aim is to make membership matter more. We'll continue to give people a hand onto the housing ladder, make it as easy as possible for you to access our products and services, help you identify ways to make your home more sustainable and support you in planning for the future.

* Rest of market as defined in CACI's Current Account and Savings Database, Stock, including fixed and variable rates. CACI is an independent company that provides financial benchmarking data from over 34 savings providers, who together hold £1.016tn of cash in savings accounts as at end December 2022.

A better society today

This year brought many new challenges for us all yet, through everything, we continued to stand by our members, our colleagues, and our values to deliver against our targets and pave the way for further positive environmental, social and corporate governance (ESG) change.



We achieved a lot in 2022...

Environmental

- Introduced our free energy efficiency report for members. EPC Plus is available for homes built more than 10 years ago and is provided by Vibrant (who are part-owned by Connells Group, a Skipton Building Society Group company). It's a great way for members to understand how they could reduce the environmental footprint of their property and potentially save money on their energy bills.
- We maintained carbon neutrality for our operational emissions which includes energy usage, fleet, air and rail journeys by colleagues. We continue to screen more of our emissions and work to deliver longer term net zero emission reductions.

- Over 80% of customers opted for paperless mortgage offers, and we further reduced single use plastic waste (cumulatively decreased by 83% since 2019).

Social

- Supported charities and community groups (see the panel above for more information).
- Pledged to donate 1% of 2022's Group profit before tax to charitable causes.
- Maintained Platinum Investors in People status in recognition of how we lead, support and develop our colleagues.
- Achieved our Women in Finance Charter target of 40% of women in senior leadership roles and above.

Lending a hand

Growing for Gold with MHUK

Over 200 Skipton colleagues took part in the Growing for Gold challenge, brilliantly raising over £35k for Mental Health UK. Our partnership has raised a massive £500k since 2020 – and we're delighted that we're extending our partnership to December 2023.

Giving back to our communities

Our Branch Community Giving scheme donated a total of £88,000, split between 264 branch nominated charities and community groups.

£50,000 donated to local foodbanks

We gave £500 to 100 different foodbanks across the UK to help provide daily essentials and cupboard staples to help people fight food poverty.

Skipton Charitable Foundation

In 2022 our Charitable Foundation donated an incredible £295,233 to 136 charitable causes across the UK.

Rolling up our sleeves

Every Skipton colleague can use 2 days per year to support a cause of their choice and we've teamed up with volunteering mobile app OnHand to make it as easy as possible for them to find opportunities and volunteer.

Moving forward together

We have continued to focus on diversity and inclusion, as well as the wellbeing of colleagues and members through our dedicated networks and information hubs. And, through our empathy lab, colleagues have experienced the reality of having different conditions such as dyslexia, to help increase their understanding.

Governance

- Started to embed UN principles for responsible banking.
- Begun work with EcoVadis to assess our supplier ESG credentials.



Visit skipton.co.uk to read our 2022 Group Responsible Business Report

...and we're not stopping there!

For 2023, we have set new and stretching initiatives to continue moving forward towards our ESG group ambitions, with full details outlined in our 2022 Group Responsible Business Report.

- Set ourselves targets in line with the Science Based Targets initiative (SBTi) to reduce our carbon emissions.
- Increase support of charitable causes and be an advocate for positive social change.
- Explore opportunities to make our business operations, products and services more environmentally responsible, such as energy efficiency improvements to our premises.

Your vote matters

You're not just a customer, you're a member and you have a say in how we're run.

Voting at our Annual General Meeting (AGM) is your opportunity to influence the direction of the business and help shape the future of Skipton Building Society.

And you don't have to be there in person – you can vote online, by post or in branch.



Our AGM

You're very welcome to join us in person for the meeting where you can vote and you'll get the chance to quiz our Board of Directors about the things that matter to you most. If you can't make it, there will also be a live stream of the event where you can watch and ask your questions online. All the information you need is on skipton.co.uk/agm. We'll be adding a link from that page to the meeting site. On the day, you'll be able to log into the site using the codes on your voting form and meeting code 30184.

What am I voting on at the AGM?

You're voting on the election and re-election of Directors and the re-appointment of our external auditors as well as resolutions about the approval of the Directors' Remuneration Report and our Annual Report and Accounts. The back page of this booklet has a full list of the resolutions and Board Directors and we've included more detail about each resolution on the following page.

Make your vote count

Go to skipton.co.uk/agm, or vote by **freepost**, in **branch** or in **person** at the AGM event

Ordinary Resolutions

1 To receive the Annual Report & Accounts

We propose an Ordinary Resolution every year to formally accept the Annual Report & Accounts.

2 To re-appoint Ernst & Young LLP as auditors

Following a rigorous selection process, Ernst & Young LLP were selected as our external auditors prior to AGM 2019 where their appointment was approved. This resolution is to approve their reappointment for the year ending 31 December 2023.

3 To approve the Directors' Remuneration Report for the year ended 31 December 2022

As in previous years, we're proposing an Ordinary Resolution to approve the Directors' Remuneration Report for the financial year. The Summary Financial Statement has more details.

The vote on resolution 3 will be treated as advisory only and the Directors' entitlement to remuneration isn't conditional on this resolution being passed. It is, however, still an important measure of members' views on the topic, which the Board will discuss and be influenced by. You can read the full Directors' Remuneration Report at skipton.co.uk/financialresults, or request a copy from: The Secretary, Skipton Building Society, The Bailey, Skipton, North Yorkshire BD23 1DN or by calling 0345 850 1733.

Meet your Board

All of our Board members have been selected for their skills and experience as well as their commitment to the Society.

They all share Skipton's mutual values and are focused on delivering the best service for our customers and the sustainable growth of the business. Their knowledge of different organisational cultures and practical experience in financial services and other industries, means they all make an important contribution.

A Director will only be elected or re-elected if the majority of voting members vote in their favour. None of our Directors have a personal business relationship with the building society or any of its subsidiaries or have close links to any business which might have.

If you'd like to know more about being a member of a mutual, our Board and the AGM, visit skipton.co.uk/agm.

Key to Board committee responsibilities

- E Executive Committee
- A Audit Committee
- N Nominations Committee
- R Risk Committee
- C Retail Credit Committee
- L Asset & Liability Committee
- Re Remuneration Committee
- NE Non-Executive Remuneration Committee
- Chair



Helen Stevenson, Ian Cornelius and Richard Coates

Helen and Ian have retired from the Board – Helen in December 2022 and Ian in February 2023. Richard will be retiring from the Board after AGM 2023. We'd like to thank them all for their commitment to Skipton and the important contribution they made to the Society.



Iain Cummings

Non-Executive Director

Appointed to the Board: 2022



Iain is a Fellow of the Institute of Chartered Accountants in England and Wales with over 35 years of experience working in the financial sector. He was a partner at KPMG for over 24 years working with banks and other major financial services firms in both audit and advisory roles including three years leading KPMG's banking audit practice. He is a Non-Executive Director of Rathbones Group plc where he is Chair of the Audit Committee.

"I was attracted by Skipton's mutual values and purpose. I want to use this opportunity to apply my many years of experience in finance and financial services to assist the Society in sustaining and developing its high-quality products and services for the benefit of all its members."



Stuart Haire

Group Chief Executive

Appointed to the Board: 2022



Stuart has over 20 years of finance and risk, analytics, customer facing, digital, and business leadership experience across financial services. He brings a unique blend of technical and customer facing skills and experiences which will support delivering value to our members and the modernisation of the Group. Although new to the mutual sector, Stuart is driven by the purpose of serving members interests both now and in the future. He's previously held senior executive roles at RBS and HSBC and was CEO of Wealth and Personal Banking at HSBC UK.

"I am hugely excited and humbled to take on this role at a very important time for the Society. Skipton's made up of a fabulous group of businesses and has a proud mutual status. My job will be to continue the work to modernise our organisation and make it even more relevant for existing and new members as they consider their longer-term financial needs and aspirations. I'm very much looking forward to leading the Group through this exciting new phase."



Andrew Bottomley

Chief Executive Officer - Money
Appointed to Board: 2016



Andrew has extensive experience in financial services having previously worked in Lloyds Banking Group, Halifax and Bank of Scotland. He has served in a variety of senior roles across Mortgages, Savings and Financial Advice as well as leading large retail customer teams. He is the Chief Executive Officer for our “Money” business helping members make the most of their Savings and Investments and providing advice and support through our customer teams in branch, on the phone and digitally.

“I’m passionate about providing great products and services to our existing and future members, helping them when they need it most. Skipton really cares about its customers and colleagues and constantly strives to improve and develop what we offer, values which are very important to me”.



Gwyn Burr

Chair of the Board
Appointed to Board: 2022



Gwyn lives close to Skipton and brings wide-ranging executive experience in marketing and customer service, thanks to her director-level roles at ASDA and Sainsbury’s. She also has significant financial services experience, having previously held non-executive positions with Principality Building Society, Sainsbury’s Bank plc and the Financial Ombudsman Service. She is currently a Non-Executive Director at Metro AG and is on the Board for Ingleby Farm.

“I’ve experienced first-hand what a fantastic service the Society offers. As customer behaviour in dealing with their financial affairs continues to evolve, I’m enjoying working with the team to meet the new challenges this brings, so we can continue to serve the needs of our members both now and in the future. I’m proud to lead a Board where the directors and senior management team is tireless in its efforts to support our customers and our colleagues, having a positive impact on their lives.”



Denis Hall

Non-Executive Director
Appointed to Board: 2017



Denis has worked in senior risk roles with Citibank, Deutsche Bank and GE Capital. He brings a wide knowledge of risk management, regulation and financial services enabling him to chair the Board Risk Committee and provide support, advice and challenge to the Executive on risk management issues. Denis is a Non-Executive Director of Germany's Aareal Bank and Moneta Bank in the Czech Republic and sits on the Audit and Risk Committee for both these organisations. He is also Non-Executive Director and Chair of the Risk and Audit Committee for Auxmoney Holding in Ireland.

"I love Skipton's principle that puts members first and services their needs without pressure. I serve on the boards of other financial institutions in Europe too, which keeps me up to date with current issues, so I can contribute to the Society by weighing up different approaches to common challenges."



Heather Jackson

Non-Executive Director
Appointed to Board: 2018



Heather brings her strong business operations, technology, strategy and change background which is vital as the Society focuses on improving our customer journeys through all channels and on our use of data to support better decision making. She has 25 years' experience in senior executive roles at Lloyds plc, Capital One, Boots the Chemist, Asda and Burton Group plc. She's a Non-Executive Director at Ikano Bank Europe and at Rothesay (the UK's largest pensions insurance specialist) as well as a Trustee Director of Yorkshire Cancer Research.

"I enjoy and value Skipton's focus on doing the right thing to create value for our customers and members now and in the future. I serve on other financial services boards and keeping customers and colleagues at the forefront of everything is what fascinates me. I believe organisations that do this, build sustainable, successful relationships and do good business. This is how Skipton will maintain our 'there for you' approach."



Mark Lund

Deputy Chair of the Board
Senior Independent Director
Interim Chair of Connells
Appointed to Board: 2016



Mark's experience at senior leadership level in financial advice and investment management enables him to provide relevant insight which is particularly important as the Society develops its financial advice business. He has more than 40 years' experience in commercial and financial services. His previous roles include CEO of St James's Place plc, CEO of Virgin Direct and Director of Henderson Investors plc. He is a Non-Executive Director of Coutts & Co and Chair of Equiniti Financial Services Limited.

"I have been involved with the Society as a Non-Executive Director since 2014, initially with the financial services business and subsequently joining the main Board in 2016. Over the past 8 years I have built up a detailed knowledge and experience of the Society and its subsidiary businesses. I use that experience to ensure that we always strive to understand our members' and customers' needs so we are able to provide them with the most appropriate solutions."



Philip Moore

Non-Executive Director
Non-Executive Director of Connells
Appointed to Board: 2021



Philip has over 40 years' experience in international financial services, spending nearly 20 years as a CFO, including of a FTSE 100 company, followed by consulting partner roles in the UK and South East Asia building his commercial, strategic and regulatory expertise. He has experience of chairing audit, risk and remuneration committees for a number of companies, including Bank of Ireland (UK) plc. He is also Trustee of the Royal British Legion and a Governor at Hart Learning Group.

"I joined the Board after being attracted to the Society's strong mutual values and clear purpose. These attributes have made the Society a financially strong, customer focused organisation and, by drawing on my wide financial experience, I hope to contribute to its continued success."



Bobby Ndawula

Group Chief Financial Officer
Non-Executive Chair of Skipton International Limited
Non-Executive Director of Connells
Appointed to Board: 2015



Bobby is an experienced finance professional and leads the Society's finance and treasury functions, amongst other areas, which are essential to the ongoing success of the Society. A chartered accountant, he previously held a number of senior positions in Group Finance and Financial Risk. With over 20 years' experience in IT, finance, capital and risk, he is responsible for ensuring that the Society's treasury, accounting and finance practices remain at a high standard. Bobby's also a Trustee of Yorkshire Cancer Research.

"Being part of a values-led, customer centred organisation is important to me. I enjoy leading and developing high performing teams that embrace change and continuously improve the financial strength of the Society and the wider Skipton group for the long-term benefit of our members. My ambition is for Skipton to continue to grow sustainably, so we can help more people achieve their financial goals."



**Have your say and
make your vote count:**

Go to skipton.co.uk/agm,
send via **freepost**,
vote in **branch**, or in
person at the AGM.

Notice of Annual General Meeting 2023

This year, the Annual General Meeting (AGM) for Skipton Building Society will be held at The Bailey, Skipton, North Yorkshire BD23 1AP on Monday 24 April 2023 at 5.30pm. The meeting is for the following purposes:

Ordinary Resolutions

1. To receive the Annual Report & Accounts
2. To re-appoint Ernst & Young LLP as auditors
3. To approve the Directors' Remuneration Report for the year ended 31 December 2022

Elections of Directors

- 4.1 To elect Iain Alexander Cummings
- 4.2 To elect Stuart Arthur Haire
- 4.3 To re-elect Andrew Paul Bottomley
- 4.4 To re-elect Gwyneth Victoria Burr
- 4.5 To re-elect Denis Arthur Hall
- 4.6 To re-elect Heather Louise Jackson
- 4.7 To re-elect Mark Joseph Lund
- 4.8 To re-elect Philip Wynford Moore
- 4.9 To re-elect Robert Samuel Duncan
Mugenyi Ndawula

Join us for this year's event

You'll be able to join this year's AGM either in person or virtually by live stream.

To help us plan the event, if you're going to join us in person, please call 0345 850 1733 to register in advance.

To join us by live stream, visit skipton.co.uk/agm for instructions and the joining link. You can log in using the voting codes on your voting form and meeting code 30184. Please note that you will be able to ask questions, but you won't be able to vote.

Notes that form part of this Notice of AGM can be found on the enclosed voting form.

By order of the Board



John Gibson, Secretary
3 March 2023

We can provide documents in large print, Braille or audio if you need them. Please speak to a member of our team on 0345 850 1733 to find out more.

EPC Plus is not regulated by the Financial Conduct Authority.

Skipton Building Society is a member of the Building Societies Association. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, under registration number 153706, for accepting deposits, advising on and arranging mortgages and providing Restricted financial advice. Principal Office, The Bailey, Skipton, North Yorkshire BD23 1DN. 429 322667_1