

Special Resolution – Proposed changes to the Rules of the Society

The Board is proposing some changes to the Society's Rules at this year's AGM and we've included a summary below. You can read a detailed summary of these changes along with a copy of our current 2014 Rules showing all the proposed changes (the 'Revised Rules') at skipton.co.uk/agma, or request a copy from: The Secretary, Skipton Building Society, The Bailey, Skipton, North Yorkshire BD23 1DN or by calling 0345 850 1733. The 'Revised Rules' will be presented to the meeting as per the Special Resolution in the Notice of AGM.

The Board believes that these alterations will benefit the Society and its members and recommends that members vote FOR the alterations. If the rule changes are approved at the AGM and registered by the Financial Conduct Authority, it is intended that the changes would take effect from 1 August 2022 as the Rules of the Society 2022.

What are the Rules of the Society?

The Rules of the Society set out the principles and basis on which we're governed, which includes requirements for and how members' meetings are held.

What are the proposed changes?

More choice around how you can attend our AGM

The Covid pandemic and lockdown restrictions have affected how we run our Annual General Meetings and proved we need to be flexible. As a result, we're proposing to update the rules to allow the Board (at its discretion) to arrange for members to have the option to attend meetings at one or more physical venues and/or electronically, giving members more choice in how they attend. The rules also set

out relevant procedures that will apply to any meeting that is held at one or more physical venues and/or electronically.

See new definitions, new Rule 32 in the Revised Rules, changes to existing Rule 32(14)(a) (Rule 33(14)(a) in the Revised Rules).

Clarity on procedures for adjourned meetings

The pandemic also focused attention on the procedures currently in place if a meeting needs to be adjourned. So, we're proposing rules to clarify the procedure for giving notice of an adjourned meeting and also on the validity of proxy forms.

See existing Rules 34(7) to (9) (Rules 35(7) to (9) in the Revised Rules)

To clarify the rules relating to quorum at meetings

We'd like to clarify the rules regarding quorum at adjourned meetings, by stating there must be at least two members present at the meeting.

See existing Rule 33(1) (Rule 34(1) in the Revised Rules) and existing Rule 33(3) (Rule 34(3) in the Revised Rules)

To bring the rules regarding the removal of directors in line with the Mental Health (Discrimination) Act 2013

We're proposing to amend the rules on the removal of directors to reflect the requirements of The Mental Health (Discrimination) Act 2013.

See existing Rule 24(1)(g)(ii)

To amend the rules around giving notice of AGM in case of disruption to postal services

We're proposing to strengthen the rules around how notice is regarded as given to members if there's any disruption to the postal service. The measures would include publishing the information on the Society's

website and either displaying the notice at the Society's head office and branches or publishing it in two leading newspapers.

See existing Rule 45(6) (Rule 46(6) in the Revised Rules)

To delete outdated rules

The Additional Rules have provisions affecting members' savings and mortgage accounts, which traditionally were included in the rules of a building society. Since 1 July 1998, these have been covered in the terms and conditions applicable to savings and mortgage accounts for members joining on or after that date. For completeness, the Additional Rules have been included in previous versions of the Society's Rules, but because of the substantial period of time that has passed since 1 July 1998, we're proposing to delete the Additional Rules (with the exception of Additional Rule 6, Lending and Advances) as they're no longer required.

See amendments to Rule 4(1), Rule 8, 9, 10 and 11 and Additional Rules Preface, deletion of Additional Rules 1-5 and 7-10

Renumbering and minor changes

We're renumbering to take into account the alterations. We're also replacing the terms 'Chairman' and 'Vice-Chairman' with 'Chair' and 'Deputy Chair' to ensure they reflect the terms used by the Society in its meetings and other communications so they are gender neutral. We also want to make it clear that any references in the rules to one gender refer to any other gender.

See renumbering of existing rules 32 onwards, Rule 24(1)(i), Rule 1(interpretation), existing Rule 34(17)(c) (Rule 35(17)(c) in the Revised Rules), Rule 34(18)(b) (Rule 35(18)(b) in the Revised Rules), Rule 36(3) (Rule 37(3) in the Revised Rules)