

## SUMMARY DIRECTORS' REMUNERATION REPORT 2024

Debra Davies, Chair of the Remuneration Committee.



Each year, we publish our Directors' Remuneration Report. It shows Executive Directors' remuneration and fees paid to Non- Executive Directors. The Remuneration Policy sets out the principles and policies for rewarding Executive and Non-Executive Directors and colleagues.

At the 2025 Annual General Meeting (AGM) the Directors' Remuneration Report will be subject to an advisory vote.

The remuneration reporting requirements apply to listed companies, and therefore are not legally applicable to the Society. However, in line with best practice the Society puts remuneration votes to members at the AGM and we take your views seriously, as this forms part of the feedback we consider as a Committee. As we are owned by our members it's only right they have the chance to vote.

There are no proposed changes to the Remuneration Policy requiring a vote at the 2025 AGM. The Remuneration Policy is voted on every three years (or sooner if required) and was last approved by members on 23 April 2024 with 92.31% of the votes cast being in favour of the resolution. The Remuneration Policy will be put forward at the 2027 AGM.

The Society has operated in line with the approved Remuneration Policy and always in the best interests of the Society's members. As such, the Remuneration Committee recommends that members vote in favour of the 2024 Directors' Remuneration Report at the AGM.

### We delivered a solid performance in 2024

Our 2024 results are in line with our plan, strengthen our financial position and will support our plans for growth. I'm proud of our colleagues for continuing to provide real value and improve the service to our members. Against this backdrop, the Committee remained focused on remuneration solutions in the best interests for members and colleagues.

We welcomed Tom Ranger as Chief Financial Officer in 2024. Tom has over 25 years' experience in financial services, most recently with Santander. His experience is now helping the Society deliver its purpose of Real Help with Real Life, in a challenging external environment.

Tom's remuneration package takes into account remuneration levels in the market, his extensive financial services experience and is in line with our Remuneration Policy. As is usual, we have agreed to compensate Tom for the loss of deferred bonus forfeited on his resignation from Santander. These replacement awards are not more than the original awards and will be paid in line with the prior vesting schedules.

### Our approach to remuneration

We ensure our remuneration aligns with what we do every day to support our members. This helps us attract and retain our strong Senior Leadership Team. This is critical to achieve our objectives and deliver long-term value for members. We ask for colleague feedback on our remuneration framework and ensure our Policy is gender neutral and fair.

### How we manage remuneration

The Committee is made up of three independent Non-Executive Directors. The Committee ensures that we have the right policies and processes in place for all our colleagues, Executive and Non-Executive Directors. The Remuneration Policy is in place to support all of our colleagues in working together for the benefit of the Society, our members and customers, with the Committee's oversight of remuneration across the workforce featuring prominently on its agenda within the year.

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### Changes to Executive Directors' salaries in 2024

In 2024 Susan Allen was awarded a pay increase of 3.18% effective 1 May 2024. This uplift was lower than those provided to all colleagues and remains in line with our analysis of the broader market. Given that Tom Ranger started with us during the year, there was no change to his salary.

## THE COMMITTEE REMAINED FOCUSED

on remuneration solutions in the best interest for members and colleagues

### A new approach to variable pay

For 2024, we have implemented a new approach to bonus. There are two separate, main schemes. One for Senior Leaders (including Executive Directors): 'Our Senior Leader Bonus', and one for all colleagues (excluding Senior Leaders): 'Our Bonus'.

For both schemes, the Society's threshold performance levels for core profit before tax (core PBT) and Net Promoter Score (NPS) need to be achieved, before any bonus award is granted. Our Bonus scheme performance against these two measures also determines the bonus pool.

For Our Senior Leader Bonus scheme, Society performance across all the Scorecard measures (including core PBT and NPS) determines the bonus award. An additional percentage of bonus may be awarded based on individual performance. Individual performance is measured against individual objectives and behaviours. Objectives may include financial and non-financial measures.

### Our Bonus

A strong Society performance resulted in eligible colleagues being awarded with an average bonus of 8% of salary.

## Our Senior Leader Bonus

Individual objectives for each colleague are agreed at the start of the year. The Society's solid performance in delivering value for members and colleagues despite ongoing economic uncertainty, has resulted in above target bonus awards for eligible Senior Leaders. All bonus awards are subject to the operation of a Business Controls Overlay Process as outlined in the Remuneration Policy.

## All variable pay for Executive Directors is deferred

In line with relevant remuneration regulations, variable pay awards for Executive Directors (and other colleagues whose total variable pay amount means

they are subject to these regulations) are subject to deferral over a multi-year period. In these cases, variable pay will be spread over a longer period and delivered partly through Share Equivalent Instruments instead of cash, which will also have a holding period. This deferral approach helps manage risks while achieving the level of sustainable performance.

Non-Executive Directors do not participate in any variable pay scheme.

The Committee feels confident that our strong financial performance places us in a good position to enhance member value sustainably over the long term.

## Executive Directors' Remuneration

The table below shows the remuneration of the Society's Executive Directors for the year ended 31 December 2024. This information has been extracted from the 2024 audited Annual Report and Accounts.

Executive Director	Fixed Remuneration				Variable Remuneration			Total Remuneration Including Replacement Awards	Total Remuneration Excluding Replacement Awards
	Base Salary	Taxable Benefits	Pension	Total Fixed	Bonus	Replacement Awards	Total Variable		
2024	£000	£000	£000	£000	£000	£000	£000	£000	£000
Susan Allen CEO	798	32	88	918	777	0	777	1,695	1,695
Tom Ranger <sup>1</sup> CFO	259	19	29	307	426	869	1,295	1,602	733
Alasdair Lenman <sup>2</sup> CFO	246	16	25	287	144	0	144	431	431
David Morris <sup>3</sup> CCO	281	9	31	321	0	0	0	321	321

1 Tom Ranger – joined the Society as Chief Financial Officer on 18 June 2024 and was awarded an annual base salary of £485,000. Replacement awards include £868,937 awarded to compensate for deferred awards forfeited on leaving his previous employer. In line with remuneration regulatory expectations these replacement awards will vest in line with the prior vesting schedule. The bonus awarded to Tom for the 2024 Performance Period under the 'Our Senior Leader Bonus' scheme has been calculated based on his 2024 eligible pay; plus the lost incentive opportunity award for the period of 2024 prior to joining the Society; and an additional £26,000 discretionary award awarded by the CEO.

2 Alasdair Lenman – retired from the Society as Chief Finance Officer on 30 June 2024, all data disclosed above reflect payment for time in role. Alasdair was granted Good Leaver status which enabled Alasdair to keep all deferred awards. Please note that Alasdair was awarded a bonus of £143,749 in 2024, which performance metrics were assessed at point of retirement and then reviewed at year end. The payment made to Alasdair was calculated based on his 2024 eligible pay and therefore prorated in line with time in role.

3 David Morris – resigned from the Society as Chief Commercial Officer on 4 October 2024, all data disclosed above reflect payment for time in role. Please note that David forfeited his 2024 bonus award.

Please note that as all four Executive Directors have not been in their stated YBS role for the full two year reporting period, their relevant remuneration reflects time in role.

## Non-Executive Directors' Remuneration

The Chair of the Board and Non-Executive Director (NED) fees are usually reviewed annually. Following analysis of the market data available, and in line with the award provided to all colleagues the NED fees were increased in July 2024 as outlined below.

Non-Executive Director fees (annual equivalents)	Annual Fees as at 1 July 2024	Annual Fees as at 1 July 2023
	£000	£000
Chair of the Board basic fee	225	216.2
Vice Chair of the Board basic fee	84.8	81.5
Non-Executive Director basic fee	59.8	57.5
<b>Additional fee for:</b>		
Audit Committee - Chair	24.3	23.4
Audit Committee - Member	10.1	9.7
Remuneration Committee – Chair	19.9	19.1
Remuneration Committee – Member	7.3	7.0
Board Risk Committee <sup>4</sup> – Chair	24.3	23.4
Board Risk Committee <sup>4</sup> – Member	10.1	9.7
Board Governance and Nominations Committee (N.B. Additional fee does not apply to the Chair or Vice Chair)	7.3	7.0

4 Please note that until 1 January 2025, the Board Risk Committee was named the Group Risk Committee

During 2024 a review of the Board and Committee Architecture was completed and was approved by the Board in December 2024. In conjunction with this a review of time commitment and Non-Executive Director fees has also been undertaken, including external benchmarking. As a result of the review, taking into account the increased requirements of the Non-Executive Director role, and including the outcomes of the time commitment review and the revised Board and Committee Architecture, the following fees were agreed effective from 1 January 2025:

Non-Executive Director fees (annual equivalents)	Fee effective from 1 January 2025
Non-Executive Director	£62,000
<b>Additional Fees:</b>	
Vice Chair <sup>1</sup>	£12,500 (in addition to Non-Executive Director base fee)
Senior Independent Director (SID) <sup>1</sup>	£25,000 (in addition to Non-Executive Director base fee)
Audit Committee Chair	£27,000
Audit Committee Member	£13,500
Remuneration Committee Chair	£20,000
Remuneration Committee Member	£10,000
Board Risk Committee Chair	£27,000
Board Risk Committee Member	£13,500
Board Governance and Nominations Committee Member (excluding Board Chair and Senior Independent Director)	£10,000
Environmental and Social Purpose Committee Chair (new Committee with effect from 1 January 2025)	£20,000
Environmental and Social Purpose Committee Member (new Committee with effect from 1 January 2025)	£10,000
Board Champion Roles (excluding the Whistleblowing Champion Role and/or where Champion Roles are held by the Vice Chair or Senior Independent Director)	£3,000

<sup>1</sup> From 1 January 2025, the role of Vice Chair/Senior Independent Director has been split into two separate roles. There will be no further review of Non-Executive Director fees in 2025. The Board Chair fee was not included in the process and will, therefore, be subject to the normal annual review process in 2025.

## Single total figure of remuneration for each Non-Executive Director

The Non-Executive Directors basic and committee fees earned in 2024 are outlined below. Non-Executive Directors do not receive any benefits or variable pay, but are reimbursed for any expenses incurred, such as travel and subsistence. This information has been extracted from the 2024 audited Annual Report and Accounts.

Non-Executive Director	2024 Basic Fees	2024 Committee Fees	Total
	£000	£000	£000
Annemarie Durbin (Board Chair from 23 April 2024)	220.6	0	220.6
John Heaps (Board Chair and stepped down from the Board on 23 April)	82.1	0	82.1
Guy Bainbridge	58.7	40.9	99.6
Peter Bole (joined the Board on 1 September 2024)	19.9	3.4	23.3
Angela Darlington	58.7	33.7	92.4
Debra Davies	58.7	29.4	88.1
Alison Hutchinson (stepped down from the Board on 31 December 2024)	83.2	17.0	100.2
Dina Matta	58.7	7.1	65.8
Mark Parsons	58.7	19.8	78.5
Janet Pope (joined the Board on 29 October 2024)	10.7	0	10.7
Jennelle Tilling (stepped down from the Board on 31 December 2024)	58.7	7.1	65.8

## Remuneration Policy

For 2025, there are no proposed changes to the Remuneration Policy. The current Policy was approved by members at the Annual General Meeting (AGM) on 23 April 2024 with 92.31% of the votes cast in favour. The Policy is intended to apply for three years to the AGM in 2027. It is intended that no payments to Directors will be made outside of this Policy, unless required as a result of regulatory change. Details of the Society's full Remuneration Policy are available in the 2024 Annual Report and Accounts online at [ybs.co.uk/annualreport](https://ybs.co.uk/annualreport)

For the full Directors' Remuneration Report which includes all information on the Remuneration Policy and variable pay awards please go to [ybs.co.uk/annualreport](https://ybs.co.uk/annualreport)