Minutes of the Meeting of the Annual General Meeting
of Scottish Building Society (the "Society")
held at
Hoxton Hotel, Grosvenor Street, Edinburgh,
on
Wednesday 27th May 2026 from 2:00pm

Presenting:	Andrew Hastings, Chair	Derek Johnston, Chief Risk Officer / Society Secretary
	Paul Denton, CEO	Maria Luisa Twomey, Chief People Officer
	Neil Easson, Finance Director	Suzanne Williamson, Chief Marketing Officer
Attending:	Rosemary Hilary, Senior Independent Director (interim)	Karyn Lamont, Independent Non-Executive Director
	Graeme Hartop, Independent Non-Executive Director	Sean Gilchrist, Independent Non-Executive Director

1 MEETING OPENING

1.1 Introduction

1.1.1 The Chair welcomed attendees to the Annual General Meeting, issued opening remarks and asked the Society Secretary to confirm we have quorum present, which was confirmed. Mr Hastings set out housekeeping and outlined the programme for the day.

1.1.2 Mr Hastings proceeded to introduce the Board of Directors and the Society Secretary who were seated at the front and around the room, noting that brief biographies for Directors standing for election and re-election are provided in the Annual Review & Financial Statement and in the Annual Report & Accounts, and explained the resolutions are typical of those sought at AGMs for a UK based Building Society, including that all Directors are submitting themselves for re-election.

1.1.3 Mr Hastings then invited Mr Easson to provide an update on the Society's financial results for the year.

1.2 Finance Director Update

1.2.1 Mr Easson opened outlining that the Society had another good year, with mortgages and savings performing well compared to both peers and the market, and noted pleasing performance with the Saver Plus account and the Client Account Online service.

He outlined the international factors changing the interest rate environment and noted that the Society had returned £7.3million to members by way of favourable interest rates, paying an average of 1.2% above the average market rate.

He continued that the Society had repaid the Term Funding Scheme (TFS) in full last year, that there were no impairments or provisions which needed to be made, recognising strong underwriting.

He finished noting that the combination of flat income and increasing costs led to a reduction in profits this year, and the expectation is that profits for the year ahead would be higher, and that the Society continues to perform well.

1.3 Chief Executive Officer Update

1.3.1 Mr Denton opened by welcoming Mr Hastings as the Society's 3rd chair in his tenure.

He then outlined the interest rate cycle and noted the external factors impacting the market in recent times, impacting the current interest rate environment, and that the Society must ensure we remain priced accordingly in the face of market volatility. He continued referencing the current cost-of-living challenges and higher inflation making it difficult for First Time Buyers in the form of higher interest rates and the levels of deposit needed, and that the Society is doing what it can to help. He then outlined the cyber risks the industry faces and that the Society is taking the action needed to keep members money and data safe.

He then outlined and thanked colleagues for the excellent job in customer service levels, noted high colleague engagement, and referred to the awards the Society has won, including a judges award presented by Scottish Financial Enterprise, a placing on the Sunday Times Best Places to Work list in 2026, the 3rd year in a row. He turned his thanks to members for their continued custom and their trust in the brand.

He noted that the Society is that oldest remaining building society, that we are proud of our legacy, and are adapting in a changing world with passbook offering continuing alongside investment in digital, and we needed to ensure we remain relevant. He mentioned developing partnerships with technology companies as examples of this.

He then referenced the events held for members over the last 12 months, including tax planning, fraud and scams, and noted that these events would continue in the year ahead.

He turned to intergenerational wealth and the different approaches people now take to pass on wealth to their children and grandchildren, and that this plays through to our new brand message of 'Helping Generations Prosper'. He explained what the message means to the Society, and that this will play through both externally as well as internally,

both in the messaging in general as well as through our products. He mentioned examples of this, noting first time buyers and later life planning in mortgages and encouraging youngsters to save.

He closed by referencing member feedback provided at the AGM last year and provided via various means over the course of the year, noting that we listen and we act, and that this plays through to the Society strategy.

2 MEMBER QUESTIONS

2.1.1 The Chair thanked Mr Denton and opened the opportunity for members to ask questions.

A member asked a question about the limitations on the digital offering, and the inability to open a joint account online. Mr Denton outlined the systems the Society uses and explained that the new digital savings platform, which the member referenced, has been newly launched for sole applications, with joint applications to follow in the coming period, noting that this is a deliberate strategy to ensure the safe and tested roll out of the new platform. He recognises the frustration but assures that joint account capability is coming.

A member asked a question about the interest rate changes on the Saver Plus account, and queried why they exceeded the movements in the BOE base rate over the last 3 change cycles. Mr Denton noted that the account is not a base rate tracker product and explained that pricing decisions made reflect a number of different factors, including where the product sits in the market, the external interest rate environment and Society liquidity levels. He reiterated that the Society had returned £7million more than the market average to members in the last year, which is 5x the profits the Society made against other who paid 1.5-2x. He noted his understanding this is disappointing but stressed there are many factors which go into these decisions.

A member asked a question about his ISA, and the experience of being unable to top it up and having instead to open a different account, questioning why this was the case. Mr Denton clarified that this is the case with Fixed Rate ISAs, and is to do with the hedging of our portfolio's fixed rates against variable rates, ensuring an appropriate balance, and noted the implications of getting this wrong. He understands why it is not ideal from a customer perspective.

A member asked a question about branches and banking hubs, and would the Society consider expanding its High Street presence. Mr Denton responded by outlining that footfall in branches is exceptionally low, and the Society has decentralised savings operations giving to our branches which accounts for c.80% of the work that branch colleagues undertake, and without this approach the cost of branches would be harder to justify. He noted though that he recognised the shift at industry level and are watching this carefully as a potential service expansion option for the future.

A member asked a question about executive remuneration, comparing the figures stated in the Society's annual accounts with those of a similar size and balance sheet. The Chair invited Ms Hillary as Chair of the Remuneration Committee to answer the question. Ms Hillary noted that there is a policy and rigorous process around remuneration, that no one decides their own remuneration, and that factors such as peer reviews and the local job market go into proposals which are debated at length ahead of being decided upon at Board.

A member made a comment in praise of the Society's approach to both supporting First Time Buyers and skills in mathematics in younger people, noting the Society's longevity and cited examples of other Scottish firms which declined due to mismanagement. Mr Hastings responded, reiterating that the Society no longer offers Buy To Let products and mentioned the Tackle Maths programme the Society support in conjunction with Edinburgh Rugby, and the importance in engaging young people in mathematics.

3 FORMAL BUSINESS

3.1 Resolutions

3.1.1 The Chair then turned to the formal business, handing over to the Society Secretary.

3.1.2 Mr Johnston outlined that the 10 resolutions will now be voted on and requires a simple majority to pass, and asked those members who have not yet voted and who wished to vote to raise their hand to be given a polling card. Mr Johnston then explained the voting system and declared the poll open.

3.1.3 Mr Johnston checked all members had the opportunity to vote and then declared the poll closed. He then announced that all resolutions were supported by a substantial majority based on the proxy votes submitted by members in advance of the meeting, and confirmed the results would be published on our website by the end of the week. He then concluded the formal business of the AGM and handed back to the Chair.

3.2 Meeting Close

3.2.1 Mr Hastings then confirmed that we have not received any notification of other business, and declared the formal part of the 2026 Annual General Meeting now closed.

3.2.2 Ms Twomey and Ms Williamson then introduced the Society Foundation, and the work in supporting charities around Scotland, and hosted a Q&A session with two of the charities – Bridgeton Learning Community Campus and Works Plus.

…… Chair