

Schedule of Reserved Matters

Approved by the Board of Dudley Building Society on 27 June 2025 with immediate effect.

Strategy and management

1. Overall responsibility for the leadership, conduct, affairs and long-term success of the Society.
2. Setting the Society's purpose, values, and behaviours.
3. Approval of the Society's strategic objectives and plan, and changes to them.
4. Monitoring and reviewing business performance and culture, holding the Chief Executive and executive management to account, and making sure corrective action is taken, if appropriate.
5. Approval any extension into new (a) business areas; (b) jurisdictions; or (c) product lines outside of mortgages and savings, including extending an existing product line to, or entering a new lending niche that targets, a new customer group, or otherwise results in a change in risk profile that the Chief Risk Officer determines to be significant (after review by Board Risk & Compliance Committee).
6. Approval to make significant changes to, or cease, all or a material part of the business.
7. Approval of changes to the overall responsibilities of Executive Committee.

Operations and business services

8. Oversight of the Society's operations.
9. Approval of the closure of any branch or equivalent premises (other than relocations).
10. Approval of the Society's important business services, impact tolerances applicable to those services, and of the annual operational resilience self-assessment (after review by Board Risk & Compliance Committee).
11. Approval of any material arrangement with a third party to outsource a product, service or function on a recurrent or ongoing basis (**material outsourcing arrangement**), and of any material change to such an arrangement.

Structure, capital and liquidity

12. Approval of major changes to the Society's corporate structure.
13. Approval to acquire/dispose of any assets/liabilities.
14. Approval to enter specific merger and/or acquisition negotiations and of any final terms that follow such negotiations.
15. Approval of changes to the Society's building society status prior to submission to a vote of members in general meeting.
16. Approval of the Internal Capital Adequacy Assessment Process (ICAAP), Internal Liquidity Adequacy Assessment Process (ILAAP), Recovery Plan and Resolution Pack and (as required) Solvent Exit Plan (after review by Board Risk & Compliance Committee).

Board membership, appointments and committees

17. Approving changes to structure, size and composition of the Board (following a recommendation from Nominations Committee).
18. Ensuring adequate succession planning arrangements for Directors and Executives (the monitoring of which is delegated to Nominations Committee).
19. Approval of the appointment of Executive Directors and Non-executive Directors, including the Chair and Vice-chair; Secretary; and Senior Management Function-holders (following a recommendation from Nominations Committee).
20. The removal of any of the persons list in paragraph 19, at any time, including entering into a settlement agreement and the suspension or termination of service of an Executive Director as an employee of the Society, subject to law, regulation (including the Senior Managers & Certification Regime) and their service contract.
21. Approval of the continuation in office of any Non-executive Director at the end of their term of office and prior to them standing for re-election, subject to an evaluation of individual performance, the Board's collective needs and compliance with the Fit & Proper Policy (following a recommendation from Nominations Committee).
22. Setting the roles and responsibilities of the Chair, Vice-chair, Senior Independent Director, Chief Executive Officer, Committee Chairs and any other Non-executive Directors.
23. Establishing and dissolving Board committees, including approving their terms of reference, and any material changes to them.
24. Appointing and removing the chairs and members of the Board's committees.

Constitutional and corporate governance

25. Approval of any resolution or document that is to be submitted to a vote of members in general meeting (including changes to the Society's Rules & Memorandum).
26. Approval of any other document stated to be on behalf of the Board.
27. Approval of this schedule of matters reserved to the Board.
28. Approval of persons authorised to use the common seal of the Society and countersign documents to which it is affixed.
29. Receiving declarations of interests and authorising conflicts of interests when permitted by the Society's Rules.
30. Approval of any loan to a Director or connected person of a Director (in accordance with the Building Societies Act 1986).
31. Undertaking an annual review of the Board's performance and of its committees and ensuring that such reviews are carried out for individual Directors.
32. Keeping under review the Society's overall corporate governance arrangements.

33. Approval of the Board's gender diversity target and any changes to it (after review by Nominations Committee).

Risk management

34. Approval of the Society's Enterprise Risk Management Framework and Risk Appetite Statements (after review by Board Risk & Compliance Committee).
35. Approval of a self-assessment of the Society's compliance with the regulators' operational resilience rules, including recommended actions to address vulnerabilities that may threaten the Society's ability to deliver its important business services within agreed impact tolerances (after review by Board Risk & Compliance Committee).
36. Approval of the Credit Risk & Lending Policy (after review by Board Risk & Compliance Committee); and receiving details of all mortgage loans of £1m or more (if outside of policy) and £2.5m or more (in any event) (which the Board delegates to Board Risk & Compliance Committee).
37. Approval of the Treasury & Prudential Risk Management Policy (after review by Board Risk & Compliance Committee).
38. Reviewing an annual Consumer Duty outcomes assessment (after review by Board Risk & Compliance Committee).
39. Approval of an appropriate statement in the Society's Annual Report & Accounts which gives details of the Society's risk management framework and its effectiveness.

Financial management

40. Approval of the annual corporate plan and business plan.
41. Approval of operating and capital expenditure budgets and material changes to them based on financial forecasts.
42. Approval of material changes to profit targets, pricing, lending and savings inflow objectives (vs the corporate plan) based on financial forecasts.
43. Approval of:
 - (a) major capital projects, including IT projects;
 - (b) acquisitions and disposals of freehold or leasehold interest in land valued at £50,000 or more;
 - (c) contracts entered into in relation to material outsourcing arrangements;
 - (d) contracts with a total contract value of £250,000 or more.
44. Approval of the Society's bankers, and the operation of the bank accounts but only where a bank requires a board resolution.
45. Approval of new Treasury counterparties and exposures above approved limits.
46. Approval to invest in, or issue, a new form of treasury instrument for the first time.

47. Approval of any borrowing/facility agreement outside the usual course of business, for example a funding arrangement entered into with the Bank of England.
48. Approval to grant a floating charge.
49. Approval of any donation or any other support to a political party or other political organisation, subject to compliance with the detailed legal obligations applicable to such donations. It is the Society's policy that no such donations be made.

Financial reporting

50. Approval of the Annual Report and Accounts, including the Strategic Report, Corporate Governance Report, Business Review, Directors Report on Remuneration and going concern report, and Summary Financial Statement (after review by Board Audit Committee).
51. Approval of the Society's Pillar 3 Disclosures (after review by Board Audit Committee).
52. Approval of any significant changes in accounting policy or practice (after review by Board Audit Committee).
53. Approval of the appointment, reappointment or removal of the external auditors prior to submission to a vote of members in general meeting.

Remuneration

54. Approval of the Society's remuneration policy, including overall approach to variable pay, including material changes to such policy or arrangements (after review by Remuneration Committee).
55. Setting the Society's policy on pension benefit, including new pension arrangements and major changes to the contribution structures of existing pension arrangements (on the recommendation of the Remuneration Committee).

Legal and regulatory

56. Approval of the initiation of, response to, appeal against, or settlement of, any dispute, litigation or proceedings (whether criminal, civil or regulatory) valued at £50,000 or more (or £25,000 or more if relating to a current or former employee or officer); or in any event where there is a reasonable expectation of significant adverse reputational or financial impact.
57. Receiving notice of any litigation, etc that does not exceed the thresholds in paragraph 56.
58. Receiving an annual report by the Money Laundering Reporting Officer (after review by Board Risk & Compliance Committee).
59. Receiving an annual report on the Society's health and safety culture and arrangements.
60. Reviewing material correspondence from the Society's regulators.
61. Approval of the approach to be taken in respect of material regulatory actions.
62. Approval the Society's arrangements for its employees and contractors to raise concerns in confidence, including whistleblowing (with oversight delegated to Board Audit Committee).
63. Appointment of the Whistleblowing Champion.

Approval of policies

- 64. Approval of the Society Policy Schedule.
- 65. Approval of Level One policies as set out in the Policy Schedule.

Other matters

- 66. Receiving information and reports on matters the Executive Committee or a Board Committee considers should be referred to the Board.
- 67. Receiving Board Committee and Executive Committee minutes.
- 68. Receiving Executive Committee sub-committee minutes on request.

Matters not reserved to the Board

The Board delegates other powers, duties and authorities to:

- Board Committees,
- the Chief Executive, and
- the Executive Committee and its sub-committees.

The Chief Executive may sub-delegate to other Executive Directors or Executives.

The Executive Committee may only delegate to a sub-committee of the Executive Committee.

Members of the Executive Committee may only delegate responsibilities to direct line reports and if such delegation is appropriate and overseen effectively.