

# Report of the directors on remuneration

For the year ended 31 March 2025

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I am pleased to share the Remuneration Committee's report for the year ended 31 March 2025. This report includes details of directors' pay for the year, together with our new directors' remuneration policy and how the Group intends to implement the policy for 2025/26.

Our directors' remuneration report for the year ended 4 April 2024, as well as our directors' remuneration policy, received strong support at the 2024 Annual General Meeting (AGM) (with both receiving 95% of votes 'FOR'), and I would like to thank our members for their ongoing support.

## Remuneration arrangements across the Group

Following the acquisition of Virgin Money in October 2024, I would like to welcome our new colleagues into the Group. We now have over 25,000 colleagues driven by our shared purpose. We continue to build a supportive and inclusive environment for all colleagues and since the acquisition I have been pleased to observe positive colleague engagement scores across the Group. We will remain focused on our approach to talent identification and development, supporting all colleagues to reach their potential. This will continue to be supported through our internship, scholarship and leadership development programmes.

In order to provide a level of consistency and stability for colleagues following the acquisition, there were no immediate changes to the broad approach to remuneration for any employees within the Group. This applied equally to the executive directors, whose remuneration arrangements remained as intended at the start of the year.

A pay package agreed with the Nationwide Group Staff Union (NGSU) for 2025/26 covers Nationwide sub-group employees, excluding the most senior population. Eligible colleagues will receive a salary increase of the greater of 3.6% of current salary or £1,000 (pro-rated for part time roles), effective from 1 July 2025, and the minimum salary will increase to £24,750. Separately, a pay package for Virgin Money colleagues was agreed in November 2024, under which 98.8% of colleagues in the Virgin Money sub-group received an average pay increase of 3.5% effective 1 January 2025.

## Performance and pay outcomes for 2024/25

### Annual Performance Pay (APP)

Nationwide sub-group employees continued to participate in the Annual Performance Pay (APP) plan during 2024/25. APP outcomes for 2024/25 were determined by reference to consistent performance measures and two individual performance ratings, reflecting both delivery and behaviours. Gateway measures of profit before tax, leverage ratio and conduct risk were passed in 2024/25 and, as a result of strong performance in the year, the Committee approved an above target outcome against the APP scorecard.

The 2024/25 APP awards for the executive directors were also assessed against the Executive Scorecard, which captures a wide range of financial and non-financial key performance indicators (KPIs). Taking this and their individual performance into account, the Committee agreed APP outcomes of 94.9% for the Group Chief Executive Officer and 86.9% for the Group Chief Financial Officer. Details of the measures, individual performance assessments and the overall APP awards delivered to our executive directors are set out in this report.

### Long-Term Performance Pay (LTPP)

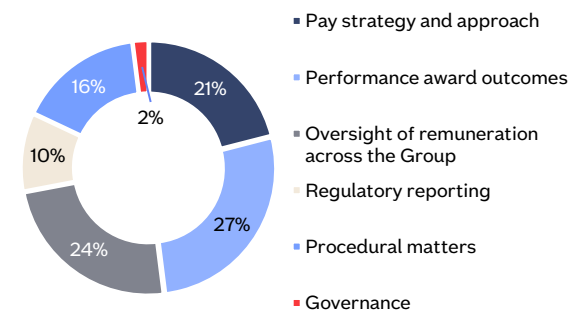
The Committee approved the LTPP awards to be granted to the executive directors in 2025, based on a pre-grant assessment of performance delivered in 2024/25. Further details on the LTPP awards are set out later in this report.



### Key activities of the Committee:

- Continued to oversee the remuneration and performance framework for all colleagues within the Group.
- Reviewed the directors' remuneration policy to ensure it remains appropriate.

### How the Committee spent its time in the year



## Director changes

As previously announced, Chris Rhodes stepped down from the Board and role of Chief Financial Officer on 6 September 2024 ahead of his appointment as Virgin Money Chief Executive Officer. We are pleased to welcome Muir Mathieson as our new Group Chief Financial Officer, appointed to the Board on 6 September 2024. In recognition of his significant financial services experience across finance and treasury functions, his base salary was set at £675,000 on appointment. The Committee intends to keep Muir's remuneration under review as he gains experience in the role. Further details of their remuneration arrangements are set out in this report.

## Our directors' remuneration policy

During the year, the Committee reviewed the directors' remuneration policy in the context of the significantly increased size and scope of the Group. The acquisition of Virgin Money has grown and diversified our business, with established business banking services broadening the Group's product range. We are now the UK's second largest provider of mortgages and retail deposits. Our increased scale brings additional operational complexity and demands of executive roles. We must continue to ensure that our remuneration arrangements are appropriately positioned to recruit, motivate and retain executives of the calibre required to manage the enlarged Group, and to deliver an ambitious integration plan while maintaining leading customer service.

The Committee observed the recent notable shift in market practice around executive pay. A number of our UK banking peers have significantly increased variable pay opportunities within their directors' remuneration policies, and we expect this trend to continue. This has materially increased the gap between Nationwide and the firms with which we compete for senior talent. Further details on our current market positioning are set out later in this report.

Therefore, the Committee carefully considered whether the current policy, as approved by members at the 2024 AGM, was sufficiently flexible to support our ambitions. Reflecting on the above, the Committee has updated the policy to increase the maximum APP opportunity that may be awarded from 100% to 150% of salary. The Committee believes that an increase to the performance-based pay opportunity is appropriate as it will enhance the alignment between reward and the successful delivery of the Group's priorities. The Committee has decided not to increase the maximum LTPP opportunity within the policy, which is currently set at 300% of salary. The Committee intends to keep LTPP grant levels under review over the course of the three-year policy to ensure they remain appropriate.

## Looking ahead to 2025/26

In the context of the base pay package agreed for the wider workforce, the Committee approved a salary increase of 3% for the Group Chief Executive Officer, effective 1 April 2025. No salary increase was applied for the Group Chief Financial Officer.

The Group Chief Executive Officer's maximum APP opportunity for 2025/26 will be 150% of salary. The Group Chief Financial Officer's maximum APP opportunity remains at 100% of salary. Reflecting on performance during 2024/25, the Committee has determined to grant 2025 LTPP awards with a maximum opportunity of 300% of salary for the Group Chief Executive Officer and 100% of salary for the Group Chief Financial Officer. LTPP awards are subject to performance conditions over a three-year forward-looking period.

The Committee considered the proposals set out in the consultation paper jointly published by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) in November 2024 on remuneration reforms. Nationwide responded to the consultation and we look forward to the final rules and updated guidance expected later this year. As ever, we remain committed to ensuring our reward approach remains fit for purpose and aligned with both the evolving regulatory landscape and the Group's pay philosophy. The Committee will remain focused on overseeing the remuneration framework across the Group, ensuring it continues to align with our strategy and customers' interests. The Group's reward and benefits proposition will be kept under review to ensure we can continue to attract and retain the talent needed for the future.

With a view to longer term Board succession planning, I will remain on the Board, but I have begun working with Debbie Klein, who has been a member of the Committee for over a year, to support and develop her to succeed me as the Remuneration Committee Chair during 2025/26, subject to regulatory approval.

## Member voting on remuneration

This year there will be advisory votes on both the directors' remuneration report and the directors' remuneration policy. Details are set out for your consideration on the following pages. On behalf of the Remuneration Committee, I would like to thank members for their continued support and encourage you to vote in favour of both resolutions.

## Tracey Graham Chair – Remuneration Committee

## How the Committee works

### Committee purpose and membership

The Committee is responsible for determining, on behalf of the Board, the remuneration strategy, the broad policy for remuneration and the specific remuneration packages for the Chairman, members of the Executive Committee, other employees who are deemed to fall within scope of the PRA / FCA Remuneration Codes, and any other Group employees specified by the Committee from time to time. The Committee also provides oversight and advice to the Board on the appropriateness and relevance of the remuneration policy and pay practices for the workforce across the Group. More details on the duties and responsibilities of the Committee can be found in its terms of reference at [nationwide.co.uk](https://www.nationwide.co.uk).

All members of the Committee are non-executive directors of the Group. Regular attendees of the Committee include the Chairman, Group Chief Executive Officer, Chief People Officer, the Director of Performance, Reward and Organisational Culture and a partner of Deloitte LLP (in their capacity as independent advisors to the Committee). In no case is any person present when their own remuneration is discussed. The Chair of the Committee reports to the Board on the matters considered at each meeting and attends meetings with the PRA and FCA.

### Committee meetings

The Committee held six scheduled meetings during the year, and the attendance record of Committee members is set out on page 65 of the Governance report. The Committee is supported by the Board Risk and Audit committees on risk-related matters.

### Virgin Money oversight

Since the acquisition of Virgin Money, the Committee has received and considered written reports provided by the Chair of Virgin Money's Remuneration Committee from each of its meetings. When invited, the Virgin Money Remuneration Committee Chair attends meetings of the Committee to provide a verbal update and answer questions from the Committee members. All decisions taken and matters discussed by the Virgin Money Remuneration Committee are reported to the Committee so that it may discharge its oversight responsibilities.

### Committee performance, skills, and expertise

The performance of the Committee is reviewed annually, along with the Committee's terms of reference and its activities over the previous year. The purpose of this review is to confirm that the terms of reference align with the Committee's remit and purpose, and continue to reflect all applicable governance codes, guidelines, legislation and best practice. The 2024 Board performance review indicated that Committee members are satisfied with the performance and effectiveness of the Committee and is described in detail on pages 74 to 75.

### Committee advisor

The Committee agreed to retain Deloitte LLP as independent advisor to the Committee during 2024/25 after a review of its fees and quality of the service provided. The Committee reviews annually all other services provided by Deloitte to ensure they continue to be independent and objective. Deloitte is a founding member of the Remuneration Consultants Group and voluntarily operates under its code of conduct in relation to executive remuneration consulting in the UK. Deloitte's advisory team has no connection with any individual director of Nationwide. Their fees for advice provided to the Committee during 2024/25 were £138,050 (excluding VAT), typically charged on a time-and-materials basis. Deloitte also provided tax, risk, internal audit and consulting services to the Group during 2024/25.

## What the Committee did in the year

### Pay strategy and approach

In light of the acquisition of Virgin Money, the Committee has dedicated significant attention to reviewing reward arrangements across the Group.

For 2025/26, the Committee considered the APP awards across the Group and looked to align the performance measures on the APP awards where possible. For the executive directors, the Committee determined that future APP awards will be based on the performance of the Group. The Committee also reviewed the LTPP metrics to ensure that they were aligned with the strategy of the Group moving forwards.

The Committee approved the approach to variable pay across the Group for 2025/26, to ensure it continues to support the Group's strategy and purpose, enabling recognition of exceptional colleague performance and customer service.

The Committee carried out a full review of the directors' remuneration policy and has proposed a new policy subject to an advisory vote at the 2025 AGM.

The Committee approved the pay arrangements for the appointment of M J Mathieson as Group Chief Financial Officer, and oversaw the transfer of C S Rhodes to Virgin Money. Further details can be found on page 111.

The Committee reviewed and approved the Chairman's fee. Further details can be found on page 117.

### Performance award outcomes

The Committee approved both the outcome of the 2024/25 APP plan and the grant of 2024 LTPP awards. In April 2024 the Committee also made decisions on risk adjustment, including for variable payments due in June 2024.

### Oversight of remuneration across the Group

The Committee took account of remuneration practices across the Group in the context of making executive pay decisions. In addition to information received on Nationwide's wider workforce pay practices throughout the year, the Board received an annual update from the general secretary of the Nationwide Group Staff Union in November 2024 and regular updates from the Employee Voice non-executive director, Tamara Rajah. More information on Board engagement with colleagues can be found on pages 20, 23 and 24.

### Regulatory and reporting matters

The Committee reviewed and approved the report of the directors on remuneration for the year ended 4 April 2024. It also reviewed and approved all Nationwide sub-group remuneration submissions made to the PRA and FCA over the course of the year.

### Procedural matters

The Committee agreed the base pay and variable pay arrangements for all employees in scope of the PRA and FCA Remuneration Codes.

## Alignment between wider workforce and executive directors' remuneration

Our reward framework is designed to attract, motivate and retain colleagues who are inspired to do their best for our customers every day, and to reward all colleagues fairly across the Group. The framework for executive directors is generally aligned with the wider workforce, and where there are deviations, this is to ensure our executive directors have a significant proportion of their remuneration linked to the Group's longer-term priorities.

All colleagues		Senior colleagues	
Base salary and pension	Benefits	Annual Performance Pay plan	Long-Term Performance Pay plan
Salaries are set to reflect the work colleagues do and the contribution they make, informed by external market benchmarking and the salary of colleagues doing similar roles. Nationwide Building Society is a principal partner of the Living Wage Foundation.  Employees across the Group are entitled to competitive pension arrangements. The executive directors' contributions are aligned to Nationwide sub-group colleagues. Pension arrangements across the Group will be considered in light of the acquisition of Virgin Money.	We are committed to providing a comprehensive and competitive benefits package that meets the needs of our colleagues. While specific benefits may vary across the Group, our philosophy is to offer a range of core benefits, supplemented by flexible options that can be tailored to individual circumstances.  This approach ensures alignment between the remuneration and benefits offered to our executive directors and our wider workforce.	We aim to ensure our approach to variable pay is competitive and enables us to attract and retain high-calibre colleagues across all areas of the Group.  While specific arrangements may vary, reflecting the Group's structure and legacy arrangements in place prior to the acquisition of Virgin Money, our overarching philosophy is to link a proportion of variable pay to performance against both Group and individual objectives. This fosters a culture of shared success and rewards colleagues for their contribution to the Group's overall performance.	Our most senior colleagues are invited to participate in the LTPP plan. This plan supports the delivery of sustainable customer value, with performance measures aligned to the achievement of our long-term financial and strategic priorities, including our sustainability commitments.  LTPP awards are deferred over the long-term and will only be paid subject to sustained satisfactory Group and individual performance.

## Directors' remuneration policy

This section sets out the new remuneration policy for our executive directors and non-executive directors. We will seek member approval for this policy by way of an advisory vote at the 2025 AGM. The policy is intended to apply for three years to the AGM in 2028 unless amendments to the policy are required, in which case a further advisory vote will be sought. It is intended that no payments to directors will be made outside of this policy, unless required as a result of regulatory change.

### 2025 policy changes

During 2024/25 the Committee undertook a review of the directors' remuneration policy. The Committee focused on whether the policy remains appropriate in light of the significantly increased size, scope and complexity of the Group following the acquisition of Virgin Money and in the context of evolving market practice.

The Committee followed a robust decision-making process over a series of meetings, with input sought from the Chairman, the Committee's independent external advisers and management, while ensuring that conflicts of interests were appropriately mitigated. The Committee aimed to ensure strong alignment between reward and the interests of our customers, while being appropriately positioned relative to the market. The Committee also assessed the policy against the principles of clarity, simplicity, risk management, predictability, proportionality and alignment to culture.

As discussed in the Committee Chair's letter, under the new policy we are proposing to increase the maximum APP opportunity for the executive directors from 100% to 150% of salary. This will enhance the alignment of reward and the Group's performance by increasing the proportion of variable pay, with awards only payable where strong performance for customers has been delivered.

The policy has also been updated to align with the revised proposals set out in the consultation paper jointly published by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) in November 2024 on remuneration reforms. Further details can be found in the policy table below.

Other than the above, and a few minor changes to simplify elements of wording or improve the operation and effectiveness of the policy over its term, it is proposed that the policy remains as approved in 2024.

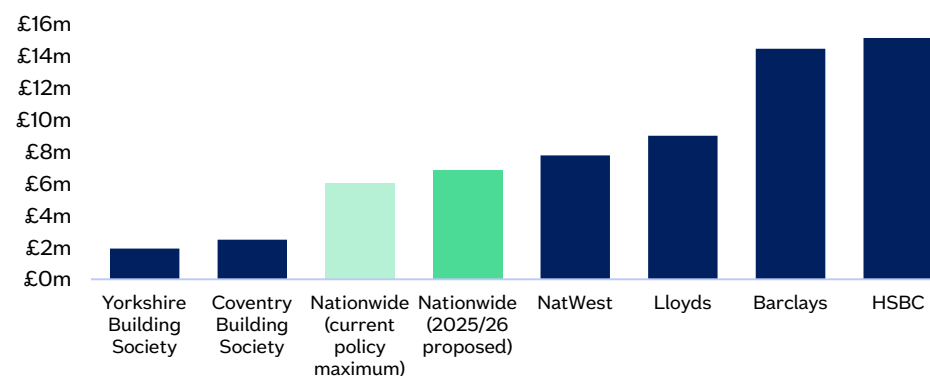
### Market positioning

The chart opposite illustrates how the proposed changes to the remuneration package as applicable to the Group Chief Executive Officer impact our relative positioning compared to UK banking peers. Where relevant, this reflects the levels of opportunity available within firms' directors' remuneration policies subject to approval in 2025.

In determining the new policy, the Committee has not targeted the levels of opportunity in the largest banks with the most complex business models. Rather, the changes aim to ensure we remain appropriately positioned against the most relevant benchmarks for Nationwide, being NatWest Group and Lloyds Banking Group.

While our proposed changes for 2025/26 will go some way to addressing the competitive gap, we remain materially behind some of our UK banking peers, and the Committee recognises that future policy changes among other firms may further increase the existing gap. The Committee therefore intends to keep our positioning under review over the course of the three-year policy.

Group Chief Executive Officer - total maximum remuneration opportunity compared to UK banking peers



**Data source:** Deloitte LLP. The chart shows the total maximum remuneration opportunity for the Group Chief Executive Officer role among UK banking peers, based on financial year 2024 disclosures. This comprises current base salary, fixed pay allowances, pension and maximum total variable remuneration opportunity.

## Remuneration policy for executive directors

Element	Operation	Opportunity	Performance metrics
<b>Fixed pay</b>			
<b>Base salary</b> Supports the recruitment and retention of key talent. Base salaries are market competitive and reflect the size and complexity of the role	Base salaries are normally reviewed on an annual basis. Any changes are normally effective from 1 April.	Base salaries are set taking into account market data for similar roles in comparable organisations. Other factors considered include the individual's skills, experience and performance in the role, additional responsibilities, and the approach being taken on salaries in the wider organisation. There is no maximum base salary.	Not applicable
<b>Benefits</b> Provide a market competitive and cost-effective benefits package as part of fixed remuneration	Benefits may include a car allowance, access to drivers when required, security when required, healthcare and insurance benefits. Business-related expenses are also reimbursed, including any associated tax.  The Committee retains the right to provide additional benefits depending on individual circumstances, where considered reasonable and appropriate, including but not limited to enable recruitment, retention or relocation.	Benefits are reviewed regularly to ensure they remain appropriate to role and location to assist individuals in carrying out their duties effectively.  The value of benefits may vary depending on service providers, cost and market conditions. There is no maximum value to the benefits provided.	Not applicable
<b>Pension</b> Provides post-retirement benefits in a cost-efficient manner	Executive directors may receive a cash allowance and/or contribution to a defined contribution scheme.	Pension allowances are set as a percentage of base salary.  The maximum allowance payable is aligned with the maximum pension benefit available to Nationwide sub-group colleagues, which is currently 16% of base salary.	Not applicable
<b>Variable pay</b>			
<b>Annual Performance Pay (APP) plan</b> Rewards the achievement of stretching Society, team and individual targets for a single financial year	APP awards are discretionary and determined by the Committee following the end of the one-year performance period, reflecting achievement against targets set.  To ensure alignment of goals, a portion of the awards for executive directors is based on the same performance measures as all eligible colleagues. The executive directors may also have a portion of their awards based on the achievement of other strategic and / or individual objectives.  Alongside awards under the Long-Term Performance Pay (LTPP) plan, the payment and deferral of APP awards are determined at the time of award and in compliance with regulatory requirements. To the extent the minimum level of deferral required is not met via the LTPP award, a proportion of the APP award may be deferred in line with regulatory requirements. Any non-deferred portion is normally paid upfront following the end of the performance year.  Awards are normally paid in cash, with a portion delivered in, or linked to the value of, the Group's core capital deferred shares (CCDS), or an alternative instrument that, subject to regulatory requirements, is appropriate for use as variable remuneration.	Performance targets must be achieved to generate a 'target' award, and considerably exceeded to generate the maximum award.  The normal maximum APP opportunity for the executive directors is 150% of base salary. Maximum opportunities may vary by role. Actual award levels will be determined by the Committee.  Normally, 67% of the maximum opportunity is payable for target performance and at the threshold level of performance, 33.5% of the maximum opportunity will be paid. No portion of the award will be paid where threshold performance is not achieved.  The award levels above may be varied in exceptional circumstances, which may include where required for the Group to remain competitively positioned against the market.	Performance measures and targets are normally set on an annual basis by the Committee.  These will normally reflect a mix of financial and non-financial measures, relating to strategic priorities as well as regulatory obligations, risk performance and individual performance (including conduct and behaviours).



Element	Operation	Opportunity	Performance metrics
	<p>CCDS-linked portions will be subject to a retention period, to the extent required by regulations. For these purposes, the value of CCDS may be adjusted to remove the impact of long-term interest rates and any other items as agreed by the Committee from time to time to ensure they remain an appropriate instrument for the purposes of remuneration.</p> <p>Participants will be entitled to the value of CCDS distributions (or equivalent) to the extent permitted by regulations. Where distributions (or equivalent) cannot be paid due to regulatory requirements, the number of deferred instruments awarded may be adjusted by reference to an expected yield over the relevant period.</p> <p>The Committee may reduce, freeze, suspend or cancel payments under the APP plan if it believes that outcomes are not representative of the overall performance of the Group (note i).</p>		
<p><b>Long-Term Performance Pay (LTPP) plan</b></p> <p>Incentivises sustainable long-term performance and alignment with members' interests</p> <p>Awards are made annually and only pay out where challenging performance measures are met, normally measured over a three-year period</p>	<p>LTPP awards are discretionary and normally granted subject to the achievement of satisfactory performance over the year prior to grant (the initial performance period).</p> <p>Awards are then normally subject to a three-year forward-looking performance period from the start of the financial year in which the grant is made.</p> <p>For each forward-looking performance measure, the Committee will determine targets that need to be achieved to generate a 'threshold', 'target' and 'maximum' level of award. Performance targets will normally be set annually for each award cycle.</p> <p>The Committee will determine the extent of achievement based on actual performance against the targets set and any other relevant factors the Committee considers appropriate to take account of.</p> <p>Payment of the awards will not start until after the end of the three-year performance period and is subject to the achievement of the performance conditions. The payment of awards will be deferred in compliance with regulatory requirements.</p> <p>Awards are normally paid in cash, with a portion delivered in or linked to the value of the Group's CCDS, or an alternative instrument that, subject to regulatory requirements, is appropriate for use as variable remuneration. CCDS-linked portions will be subject to a retention period to the extent required by regulations. For these purposes, the value of CCDS may be adjusted to remove the impact of long-term interest rates and any other items as agreed by the Committee from time to time to ensure they remain an appropriate instrument for the purposes of remuneration.</p>	<p>LTPP awards may be granted up to a maximum value of 300% of base salary. Maximum opportunities may vary by role. Actual award levels will be determined by the Committee.</p> <p>Normally, 67% of the maximum opportunity is payable for target performance and at the threshold level of performance, 33.5% of the maximum opportunity will be paid. No portion of the award will be paid where threshold performance is not achieved. Maximum awards will only be paid where there has been outstanding performance.</p> <p>The award levels above may be varied in exceptional circumstances, which may include where required for the Group to remain competitively positioned against the market.</p>	<p>The Committee takes into consideration performance over the initial performance period when determining whether LTPP grants will be made. The pre-grant conditions will normally include an assessment of both Nationwide and individual performance to ensure that the granting of awards is sustainable according to the financial position of Nationwide and justified on the basis of individual performance, conduct and behaviours.</p> <p>Forward-looking performance will be measured against a long-term scorecard, normally determined by the Committee on an annual basis and set to align with the long-term objectives of the Group. The measures will normally reflect a mix of financial and non-financial measures and be subject to the satisfaction of risk performance and regulatory obligations.</p> <p>The specific performance measures will be disclosed in the remuneration report for the relevant year.</p>

Element	Operation	Opportunity	Performance metrics
	<p>Participants will be entitled to the value of CCDS distributions (or equivalent) to the extent permitted by regulations. Where distributions (or equivalent) cannot be paid due to regulatory requirements, the number of deferred instruments awarded may be adjusted by reference to an expected yield over the relevant period.</p> <p>The Committee may reduce, freeze, suspend or cancel payments under the LTPP plan if it believes that outcomes are not representative of the overall performance of the Group (note i).</p>		

## Notes:

- i. Discretion, risk adjustment, malus and clawback: In determining variable pay awards, the Committee has the ability to apply independent judgement to ensure that the outcome is a fair reflection of the performance of the Group and the individual over the relevant period. In applying this judgement, the Committee has scope to consider any such factors it deems relevant. The Committee normally takes into account performance against a broad set of financial and non-financial performance measures and considers performance on a risk-adjusted basis, evaluating progress against defined measures within the context of our risk appetite, including conduct risk. This is a formal process, which also includes input and feedback from the Audit and Board Risk Committees. In this manner, the Committee has discretion to reduce an executive director's variable pay in relation to risk-related matters. The Committee also retains the discretion to adjust awards made under the APP and the LTPP in line with the discretions within the relevant plan rules, including but not limited to adjusting performance conditions attached to awards for significant items, changes in working patterns, treatment on cessation of employment and treatment in the event of a change of control. In certain circumstances, the Committee has the discretion to operate malus and clawback provisions under the APP and LTPP plans. Such circumstances may include, but are not limited to: participation in, or responsibility for, conduct that results in significant losses; failure to meet appropriate standards of fitness and propriety; employee misbehaviour, fraud, material dishonesty or material error; a material downturn in financial performance; a material failure of risk management; material corporate failure; as well as other circumstances required by regulatory obligations or deemed appropriate by the Committee. Clawback can normally be applied for a period of seven years from the date of award. This may be extended to ten years in the event of ongoing internal or regulatory investigation at the end of the seven-year period.
- ii. Regulatory changes or resolution: In the event that regulatory standards change, the Committee has discretion to make such changes to our remuneration policy as to ensure regulatory compliance, even if a revised policy has not been put to members for an advisory vote. Any such changes would normally be included in the policy report at the next AGM. This includes any changes as may be considered appropriate in the event of resolution to reflect the nature of the roles and responsibilities in this context and to support the resolution process.
- iii. Prior arrangements: The Committee reserves the right to honour remuneration payments, notwithstanding that they are not in line with the policy set out in this report, where the terms of the payment were agreed in accordance with any previous member-approved policy, before the first member-approved policy came into effect, or at a time when the relevant individual was not a director of Nationwide and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a director of Nationwide.

## Choice of performance measures and targets

The performance measures selected for APP and LTPP awards are reviewed and set on an annual basis by the Committee to reflect the priorities of the Group, providing a clear link with customers' interests and our short and long-term financial and strategic aims, as well as our regulatory obligations.

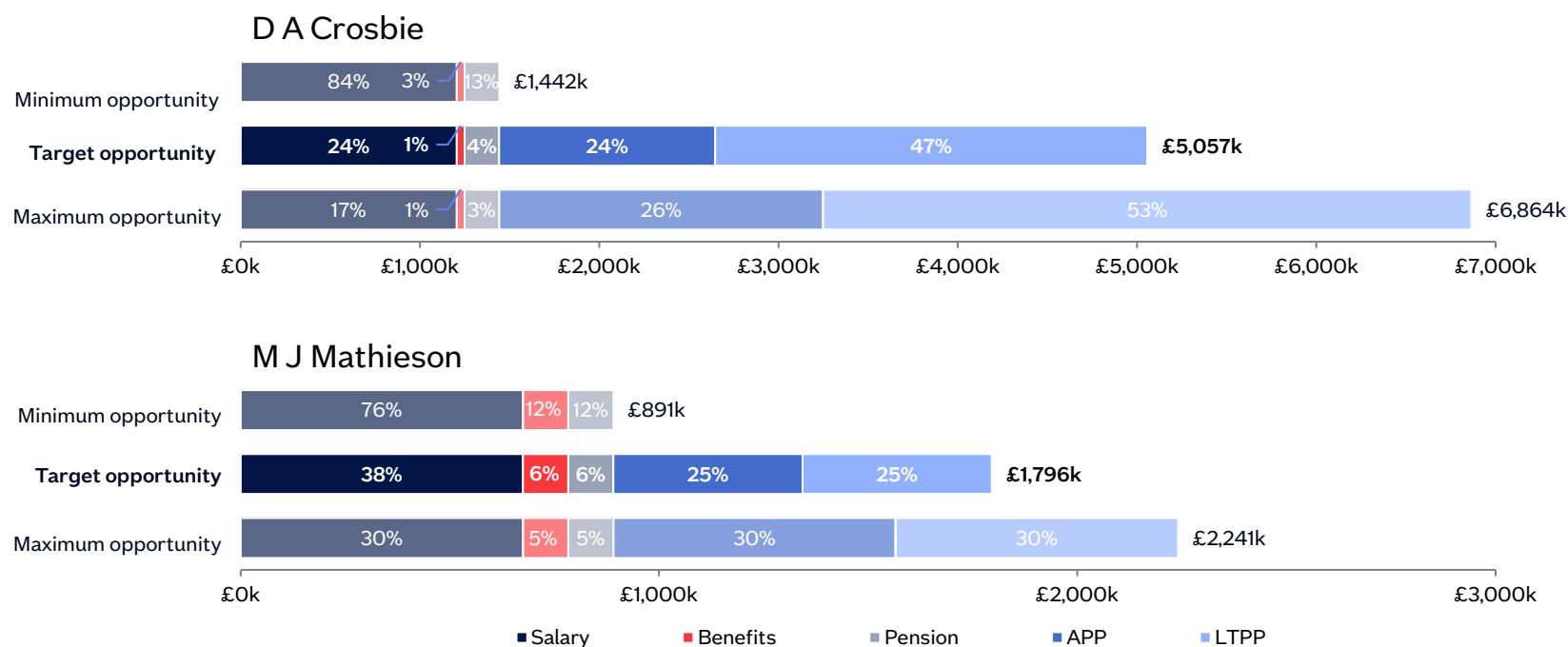
The Committee retains the discretion to amend the performance measures or weightings of performance measures for APP and LTPP awards to take account of the Group's Plan, emerging best practice and regulatory expectations. Normally, no less than 60% of executive directors' APP awards will be based on Group performance measures.

The Committee sets performance targets at a level which it considers appropriately stretching in relation to the Group's Plan and overall risk appetite, taking into account a number of wider factors, including our strategic priorities, the economic environment, and market conditions and expectations. Maximum performance will only be achieved for exceptional performance across all measures.

### What our executive directors could earn based on performance

The charts below illustrate the amounts that each of the executive directors could earn in different performance scenarios, including the percentage of the total comprised by each element of remuneration, in the first year under the proposed remuneration policy. The charts reflect the increased 150% of salary maximum APP opportunity and a maximum LTPP opportunity of 300% of salary for D A Crosbie. For M J Mathieson the charts reflect maximum APP and LTPP opportunities of 100% of salary. The Committee intends to keep award levels under review over the course of the three-year policy to ensure they remain appropriate, and therefore the values illustrated below may be subject to change.

A significant proportion of the potential remuneration of the executive directors is payable based on the achievement of stretching performance conditions, and subject to deferral, malus and clawback. No payments relating to LTPP awards will be made until the end of the three-year forward-looking performance period.



#### Notes:

- The charts are based on the following scenarios:
  - Minimum opportunity: only fixed pay elements are payable (base salary, pension and benefits).
  - Target opportunity: fixed pay elements are payable and target APP and LTPP outcomes are achieved.
  - Maximum opportunity: fixed pay elements are payable and maximum APP and LTPP outcomes are achieved.
- The value of benefits for D A Crosbie and M J Mathieson is estimated based on the benefits paid to them in respect of 2024/25, as set out in the single total figure of remuneration table. Additional benefits may arise but will always be provided in line with the approved policy.
- The charts have been prepared using the annual salaries that will apply during 2025/26 and, therefore, APP and LTPP opportunities have been calculated as percentages of these salaries.

## Remuneration arrangements throughout the Group

The remuneration policy for our executive directors is designed to align with the remuneration philosophy and principles that underpin remuneration for the wider Group. Within this framework, whilst there are differences in reward opportunity under the APP plan depending on level of seniority, a proportion of the APP for all employees (including the executive directors) is based on consistent performance measures. Having consistent goals for a proportion of the award helps make sure everyone works together to put our customers' needs first.

Certain employees, based on their role and seniority, are eligible to participate in the LTPP plan, which provides a clear link between remuneration outcomes and the long-term performance of our most senior population in their stewardship of Nationwide and overseeing the delivery of the Group's Plans.

## Consideration of employment conditions elsewhere in the Group

The pay and conditions of all employees are taken into account when determining executive remuneration and the Committee appreciates the importance of this relationship. The Committee reviews base salary levels, other elements of fixed remuneration and details of performance pay plans offered to all employees each year and is always mindful of ensuring that the pay policy for senior roles is consistent with the culture and values of the Group as a whole. Our policy is to offer packages which are competitive within the financial services market in which we operate and to reward individuals for delivering value to customers. The individual elements of remuneration offered, for example benefits provision, may vary between the different roles, reflecting typical market practice. Employees who are members of Nationwide will be able to vote on the directors' remuneration policy and directors' remuneration report.

## Recruitment policy

On the appointment of a new executive director, the Committee will as far as possible determine the ongoing remuneration package in accordance with the remuneration policy. It would aim not to pay more than necessary to secure the right candidate. New appointments will be eligible to be considered for variable pay consisting of an APP and LTPP award (or any other element which the Committee considers appropriate), subject to the maximum opportunity being no more than the maximum ratio of fixed to variable pay in operation within Nationwide as determined by the Committee from time to time.

The Committee may also consider whether it is necessary to offer any one-off arrangements on the recruitment of a new executive director to replace previously awarded variable remuneration and any other remuneration arrangements forfeited upon leaving a previous employer. In making any such offer, the Committee will seek to ensure that the replacement arrangements are on materially similar terms to the arrangements being forfeited in terms of value and vesting schedule and take into account the extent to which performance conditions applied to the original awards, whilst taking into consideration all applicable regulatory requirements. Where possible, the replacement arrangements will be structured within the parameters of Nationwide's existing performance pay plans. If necessary, an individually tailored plan may be put in place. In line with regulatory requirements, the replacement arrangements may continue to be subject to malus and clawback provisions, at the discretion of the individual's previous employer. The Committee may award guaranteed variable remuneration in exceptional circumstances for new hires. Such awards would be limited to the individual's first year of employment only. The exceptional circumstances would typically involve a critical new hire and would also depend on factors such as the seniority of the individual and the timing of the hire during the performance year.

Although our intention would be to offer any new director benefits in line with the policy set out in the policy table, if individual circumstances required this, the Committee may consider offering a new recruit such additional benefits as might be required to secure their services. This may include, but is not limited to, travel allowances or relocation expenses for a limited period following their appointment.

On the appointment of a new non-executive director, fees will be on similar terms to those of the existing non-executive directors and in accordance with the policy set out in this report.

## Service contracts and policy on payments to departing directors

Executive director	D A Crosbie	M J Mathieson
Service contract effective from	2 June 2022	6 September 2024
Date first appointed to the Board	2 June 2022	6 September 2024

Executive directors' terms and conditions of employment are detailed in their individual contracts or service agreements which include a notice period of 12 months from Nationwide to the individual and a notice period of 12 months from the individual to Nationwide for any new executive directors.

The terms set out in the service agreements for the current executive directors do not provide for any payments that are not in line with this policy. Service agreements include a provision for a termination payment in lieu of notice, which will normally be subject to mitigation, up to a maximum of 12 months' base salary and statutory redundancy in the event of redundancy. Such a payment might also cover benefits and pension allowance.

The Chairman and non-executive directors are appointed for fixed terms not exceeding three years, which may be renewed subject to their re-election by members at AGMs. There are no obligations in the non-executive directors' letters of appointment that could give rise to remuneration payments or payments for loss of office. The dates of appointment to the Board for the Chairman and non-executive directors are set out in the Governance report.

#### Leaver provisions for executive directors

If an executive director leaves in eligible leaver circumstances (including redundancy, retirement, ill health, death, by mutual consent or any other reason at the discretion of the Committee), they may, subject to approval by the Committee on an individual basis, remain eligible for performance pay awards as described below.

For APP awards:

- Where an executive director leaves during the performance year in eligible leaver circumstances they may, at the Committee's discretion, receive a pro-rata performance award for the period of time served during the current performance period in accordance with the plan rules. Such awards would be subject to deferral, retention, malus and clawback as normal.
- Where an executive director leaves in certain defined eligible leaver circumstances, they will normally be eligible to continue to receive the deferred portion of any outstanding award in full (subject to any risk or performance adjustment, including by way of malus and/or clawback).
- In other eligible leaver circumstances, the treatment of outstanding deferred payments will normally be subject to time-prorating for months served in continued employment over the first four years of the plan cycle, including the initial performance period.

The treatment for eligible leavers of APP awards in respect of performance years prior to 2022/23 will be in accordance with the relevant policy.

For LTPP awards:

- Where an executive director leaves during the financial year prior to the year in which the grant is made, they would normally be ineligible to receive any LTPP award in respect of that year.
- Where an executive director leaves during the forward-looking LTPP performance period in eligible leaver circumstances, awards will normally be pro-rated for time served during the relevant performance period. The extent to which an award will pay out will normally be subject to the achievement of the applicable performance conditions. Such awards would normally remain subject to the deferral, retention, risk and performance adjustment provisions that would otherwise have applied, including malus and clawback.
- Where an executive director leaves in eligible leaver circumstances following the end of the forward-looking LTPP performance period and during the additional deferral or retention period, they will normally be eligible to continue to receive the deferred and retained portions of any outstanding awards in full (subject to any risk or performance adjustment, including by way of malus and/or clawback).

Under both the APP and LTPP plans, the Committee retains the discretion to adjust the proportion of the outstanding or deferred payments that are retained by a leaver based on the facts and circumstances of the departure. Furthermore, following departure, the Committee may still also reduce or cancel payments if it believes that the variable pay plan outcomes are not representative of the overall performance of Nationwide.

Any variable pay awards subject to deferral or retention periods, as well as any 'in-flight' LTPP awards, will continue to be paid at the usual payment date although the Committee will have discretion to accelerate any payments to the leaving date in exceptional circumstances.

Individuals who leave in other circumstances (e.g. resignation) and are not determined to be 'eligible leavers' would receive only contractual payments to which they are entitled and would not receive any payment in respect of performance pay plans, unless the Committee determines there is a robust case for discretion.

Depending on individual circumstances, the Committee may also make additional payments in connection with an executive director's cessation of office or employment. For example, this may include outplacement costs, legal fees and costs of settling any potential claim where appropriate.

## Mitigation

Mitigation means that after leaving Nationwide, should an executive director start employment elsewhere, any outstanding payments in lieu of notice due from Nationwide may be reduced or lapse altogether. The Committee's policy is that payments in lieu of notice should be made in monthly instalments and be subject to mitigation (where contractually enforceable), although the Committee has discretion to waive mitigation if this is considered appropriate in individual circumstances. The current executive director contracts allow for mitigation.

## Consideration of member views

At recent AGMs we have received a significant majority vote in favour of our remuneration reports. We are also mindful of views expressed by individual members regarding specific aspects of the policy. When taking decisions on remuneration policy, the Committee is also always conscious of the need to balance members' views whilst ensuring executives are motivated and rewarded to deliver value for our customers.

## Remuneration policy for non-executive directors

The table below sets out the remuneration policy for our non-executive directors.

Element	Operation	Opportunity
<b>Chairman and non-executive director fees</b> Provide a market competitive fee level for the role at Nationwide	The Chairman's fee is normally reviewed and approved by the Remuneration Committee on an annual basis. Non-executive director fees are normally reviewed and approved by the executive directors and the Chairman on an annual basis. Any changes are typically effective from 1 April. Non-executive directors are paid a basic fee, with an additional supplement paid for additional roles or responsibilities, including in respect of the Senior Independent Director or Employee Voice role, or for serving on or chairing a Board Committee or committee of a subsidiary entity. Additional fees may be payable for additional time commitment or responsibilities. The Chairman and non-executive directors do not take part in any performance pay plans or in any pension arrangements. Benefits may be provided if considered appropriate including reimbursement of any reasonable expenses (together with any tax thereon where these are deemed to be taxable benefits).	Fees are set taking into account practice at other organisations as well as the time commitment for the role at Nationwide. There is no maximum level.

## Annual report on remuneration for 2024/25

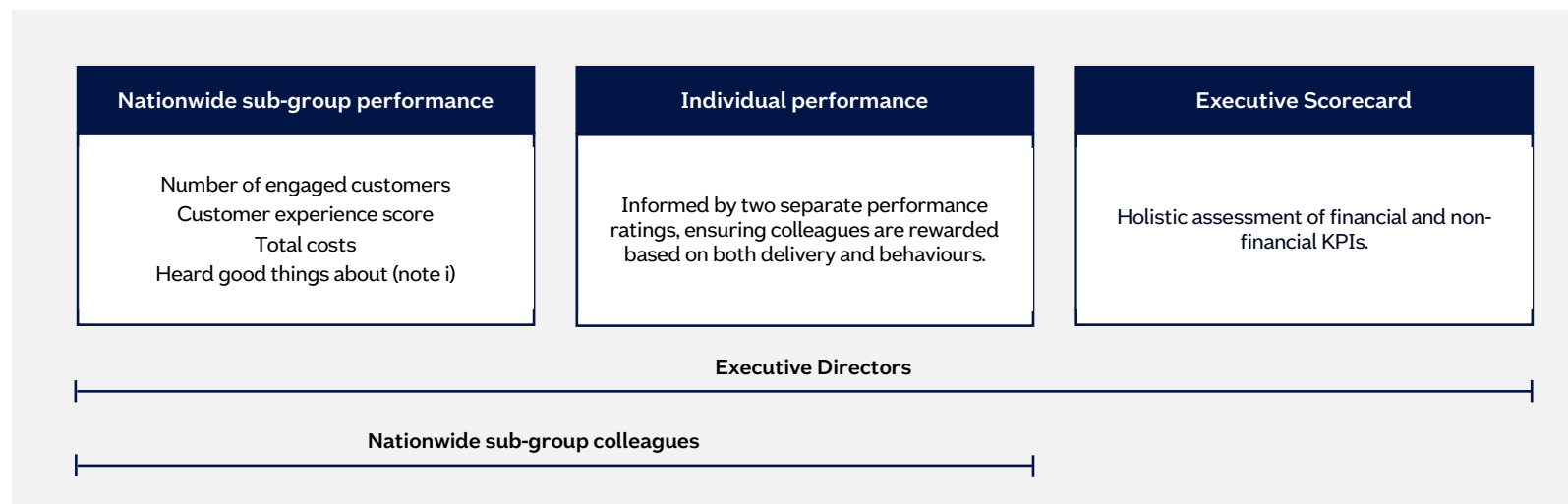
This section provides information on how the directors' remuneration policy, as approved by members at the 2024 AGM, was implemented during 2024/25. A revised policy will be subject to member approval by way of an advisory vote at the 2025 AGM.

### Base salary and pension

The effective base salary in the year for D A Crosbie was £1,170,000. M J Mathieson was appointed to the Board on 6 September 2024 on a base salary of £675,000. C S Rhodes received an annual salary of £750,000 pro-rated in respect of his role as Chief Financial Officer of Nationwide until 6 September 2024. The pension allowance for executive directors is 16% of salary, which is the maximum benefit available to Nationwide sub-group colleagues.

### Annual Performance Pay (APP) for 2024/25

APP awards were determined based on Nationwide sub-group performance measures set at the start of the year, as well as individual contribution. Consistent measures, aligned with the attainment of challenging strategic and financial performance measures, applied for all Nationwide sub-group colleagues, including the executive directors, ensuring clear alignment and focus in delivering for our customers. APP awards were also assessed by reference to two separate individual performance ratings, reflecting both delivery and behaviours. A new Executive Scorecard was also introduced for executive directors for 2024/25, capturing a wide range of financial and non-financial KPIs.



Note:

- i. Based on a study conducted by an international market research company commissioned by Nationwide. Based on non-customer responses for the 12 months ended March 2025. Financial brands included are Nationwide, Barclays, Co-operative Bank, First Direct, Halifax, HSBC, Lloyds, Monzo, NatWest, Santander, Starling Bank and TSB.

The maximum potential APP award level for 2024/25 was 100% of base salary for all executive directors, with 50% of the overall award based on the Nationwide sub-group performance, 30% based on Executive Scorecard performance and 20% based on individual performance. An illustration of the pay-out schedule of the executive directors' APP awards can be found on page 110. The Group has the ability to clawback APP awards for up to ten years after they were awarded in certain circumstances.

### Outcomes for APP 2024/25

Three gateways must be passed before any payment is made under the plan. The three gateways are based on measures of profit before tax, leverage ratio and conduct risk. These gateways were passed in 2024/25. In determining executive directors' APP outcomes for 2024/25, the Committee assessed the performance against the four measures set out below, as well as performance against the Executive Scorecard and individual performance. The Committee must also be satisfied that there is no significant conduct, risk, reputational, financial, operational or other reasons why awards should not be made, taking into account input from the Board Risk and Audit committees.

Measure	Performance target range: threshold, target and maximum, and performance outcome achieved for 2024/25	Performance pay achieved / Maximum achievable (% of salary paid in 2024/25)		
		D A Crosbie	M J Mathieson (note iv)	C S Rhodes (note iv)
Number of engaged customers	<div> <div>Outcome: 4.11m – Maximum</div> <div> <div></div> <div>3.85m</div> <div>3.94m</div> <div>4.05m</div> </div> </div>	12.5% / 12.5%	12.5% / 12.5%	12.5% / 12.5%
Customer experience score (note i)	<div> <div>Outcome: 83.8% – Above target</div> <div> <div></div> <div>82.1%</div> <div>83.6%</div> <div>85.1%</div> </div> </div>	8.9% / 12.5%	8.9% / 12.5%	8.9% / 12.5%
Total costs (note ii)	<div> <div>Outcome: £2,418m – Maximum</div> <div> <div></div> <div>£2,569m</div> <div>£2,519m</div> <div>£2,469m</div> </div> </div>	12.5% / 12.5%	12.5% / 12.5%	12.5% / 12.5%
Heard good things about (note iii)	<div> <div>Outcome: 1<sup>st</sup> within peer group – Maximum</div> <div> <div></div> <div>4<sup>th</sup> within peer group</div> <div>3<sup>rd</sup> within peer group</div> <div>2<sup>nd</sup> within peer group</div> </div> </div>	12.5% / 12.5%	12.5% / 12.5%	12.5% / 12.5%
Executive Scorecard element (see further detail below)		28.5% / 30%	28.5% / 30%	28.5% / 30%
Individual performance element (see further detail below)		20% / 20%	12% / 20%	20% / 20%
<b>Remuneration Committee discretionary performance and risk assessment</b> The Committee carefully considered the outcomes for the executive directors to ensure they were a fair reflection of performance. This took account of a broad range of factors including performance against wider key performance indicators and risk factors. Overall, the Committee was satisfied that the outcomes were a fair reflection of performance, and no discretionary adjustment was applied.		0%	0%	0%
<b>Total performance pay achieved</b>		<b>94.9% / 100%</b>	<b>86.9% / 100%</b>	<b>94.9% / 100%</b>

Notes:

- i. Our customer experience score measure is based on the 12 months ended 31 March 2025, and is calculated by weighting the aggregated scores across Nationwide channels to reflect the way customers interact with us. Digital channels include our Nationwide mobile banking app, internet bank and webchat.
- ii. As per the design of the APP plan, the total costs outcome for 2024/25 of £2,449 million was adjusted to £2,418 million for the purposes of determining the APP outcome to exclude staff costs associated with the overall APP outcome being above the target level.
- iii. Based on a study conducted by an international market research company commissioned by Nationwide. Based on non-customer responses for the 12 months ended March 2025. Financial brands included are Nationwide, Barclays, Co-operative Bank, First Direct, Halifax, HSBC, Lloyds, Monzo, NatWest, Santander, Starling Bank and TSB.
- iv. M J Mathieson's APP award reflects performance since his appointment as Group Chief Financial Officer on 6 September 2024. C S Rhodes APP award reflects performance until he stepped down from the Board on 6 September 2024.



Performance against the Executive Scorecard was based on an assessment of financial and non-financial KPIs. The table below provides an overview of the key achievements considered in determining the outcome of the Executive Scorecard for 2024/25.

Strategic driver	Performance commentary
Simply brilliant experience	<ul style="list-style-type: none"> <li>Delivered leading levels of service through our Nationwide brand and were ranked first for customer satisfaction for the 13<sup>th</sup> year running compared to our peer group<sup>2</sup>.</li> <li>Increased investment in Virgin Money to improve customer experience.</li> <li>Created 370 new jobs dedicated to customer service in Virgin Money contact centres and online chat channels. Created 15 new customer service jobs to support business banking customers.</li> <li>Invested around £18 million in upgrading more than 110 branches.</li> <li>Customer experience score of 83.8% was above our target of 83.6%. Customers of Nationwide-branded products were satisfied with our service across our channels, particularly from colleagues in our branches. The new banking app, and enhancements made through the year, also contributed positively to our score.</li> </ul>
More rewarding relationships	<ul style="list-style-type: none"> <li>Delivered a record £2,795 million in value to our members. This included member financial benefit of £1,795 million from better pricing and incentives than the market average, primarily relating to our member deposits. This also included £385 million in Nationwide Fairer Share Payments, distributed in June 2024 to 3.85 million eligible members, and £615 million via The Big Nationwide Thank You.</li> <li>Increased total market share of deposit balances to 12.2% (2024: 9.5%). Customer deposits increased by £67.3 billion, including £53.3 billion of Virgin Money balances and record growth of £14.0 billion (2024: £6.3 billion) through our Nationwide brand.</li> <li>Increased market share of Group mortgage balances to 16.2% (2024: 12.3%).</li> <li>Delivered £825 million (2024: £1,323 million) of lending to social housing.</li> </ul>
Beacon for mutual good	<ul style="list-style-type: none"> <li>Committed more than £20 million to charitable activities. This included £18.7 million (2024: £15.5 million) as part of the 1% of pre-tax profits that we commit to good causes each year, as well as donations awarded by Virgin Money.</li> <li>Launched Nationwide Fairer Futures, our new social impact strategy.</li> <li>Scope 1 emissions have continued to reduce in comparison to previous years, and we are currently ahead of our intermediate (by 2030) science-based target pathway. We have also continued to source 100% renewable electricity, and are on track to achieve our scope 2 science-based target.</li> <li>The continued success of our new brand and advertising campaigns, focused on expressing our mutual difference, has helped improve awareness of Nationwide across the UK.</li> <li>Achieved five out of seven of the 2025 diversity targets set out in our Mutual Good Commitments.</li> </ul>
Simplify, integrate and grow	<ul style="list-style-type: none"> <li>Financial performance remained strong; we delivered underlying profit before tax of £1,852 million, and statutory profit before tax of £2,302 million.</li> <li>Leverage ratio remained comfortably above both regulatory and internal threshold requirements.</li> <li>Diversified our business through the acquisition of Virgin Money, making our income more resilient to economic changes. The gain on acquisition is expected to provide significant headroom to cover the costs associated with integration, investment in customer service and delivery of value across the Group</li> <li>Invested in the technology foundations, enhancements and innovations that will help us provide an even better customer experience.</li> <li>Commenced the migration of Nationwide-branded savings accounts onto a modern, core banking platform, that further improves customers' experience.</li> </ul>
Weighting	30%
Outcome	28.5%

<sup>2</sup> Lead at March 2025: 7.5%pts, March 2024: 5.5%pts. c Ipsos 2025, Financial Research Survey (FRS), for the 12 months ended 31 March 2023 to 12 months ended 31 March 2025. Results based on a sample of around 47,000 adults (aged 16+). The survey contacts around 50,000 adults (aged 16+) a year in total across Great Britain. Interviews were face to face, over the phone and online, taking into account (and weighted to) the overall profile of the adult population. The results reflect the percentage of extremely satisfied and very satisfied customers minus the percentage of customers who were extremely or very or fairly dissatisfied across those customers with a main current account, mortgage or savings. Those in our peer group are Barclays, Halifax, HSBC, Lloyds Bank, NatWest, Santander and TSB. Prior to April 2017, those in our peer group were Barclays, Halifax, HSBC, Lloyds Bank (Lloyds TSB prior to April 2015), NatWest and Santander.

For the element based on individual performance, performance was assessed by reference to two separate individual performance ratings, rewarding both delivery against goals set in the context of our strategic drivers and the display of customer first behaviours. The tables below provide an overview of the individual performance for 2024/25 achieved by the Group Chief Executive Officer and the incoming and outgoing Chief Financial Officers based on their objectives.

Executive Director 2024/25 achievement of individual objectives			
Objectives	D A Crosbie	M J Mathieson (note i)	C S Rhodes (note ii)
<b>Financial and operational performance</b> <ul style="list-style-type: none"> <li>Strong and sustainable financial performance.</li> <li>Resilient business operations.</li> </ul>	<ul style="list-style-type: none"> <li>Delivered the 2024/25 financial plan, including record member value, mortgage lending and retail deposit growth.</li> <li>Prompt review of IT service availability incidents to ensure ongoing improvements in operational resilience.</li> </ul>	<ul style="list-style-type: none"> <li>Robust financial management and reporting throughout the year.</li> <li>Ensured successful delivery of regulatory financial reporting, day 1 accounting and appropriate prudential risk management for the Virgin Money acquisition.</li> </ul>	<ul style="list-style-type: none"> <li>Oversaw production of financial plan for 2024/25 and performance against balanced scorecard.</li> </ul>
<b>Strategic development and delivery</b> <ul style="list-style-type: none"> <li>Ambitious and achievable strategy to grow and deliver value for members.</li> <li>Purpose and Blueprint for a modern mutual embedded throughout and driving increased performance.</li> </ul>	<ul style="list-style-type: none"> <li>Record member value delivered in 2024/25 including direct member reward payments of over £1 billion through the Nationwide Fairer Share Payment and The Big Nationwide Thank You.</li> <li>Acquisition of Virgin Money to extend products and services over time.</li> <li>Refreshed purpose and implementation across the Group.</li> </ul>	<ul style="list-style-type: none"> <li>Financial plan developed to support strategic growth and key decisions, including the Nationwide Fairer Share Payment and The Big Nationwide Thank You.</li> <li>Contributed to refresh of strategic drivers and customer first behaviours.</li> </ul>	<ul style="list-style-type: none"> <li>Supported successful delivery of value to members through the Nationwide Fairer Share Payment, member exclusive savings bond and switching incentives.</li> <li>Oversaw business case for the Virgin Money acquisition.</li> </ul>
<b>Robust risk and control</b> <ul style="list-style-type: none"> <li>Effective risk and control framework embedded throughout the organisation.</li> <li>Timely resolution of actions and effective conclusion of any regulator interventions.</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory approvals obtained for the Virgin Money acquisition.</li> <li>Operated within overall risk appetite.</li> <li>Asset quality remains robust with low and stable arrears rates.</li> </ul>	<ul style="list-style-type: none"> <li>Ensured safe prudential management of Nationwide, including effective wholesale funding, hedging of the balance sheet, and effective and efficient management of liquidity.</li> </ul>	<ul style="list-style-type: none"> <li>Ensured safe prudential management of Nationwide, including effective wholesale funding, hedging of the balance sheet, and effective and efficient management of liquidity.</li> </ul>
<b>Inspiring team and leadership performance</b> <ul style="list-style-type: none"> <li>High-performing and effective ExCo team that inspires strategic progress across the Group. Increased leadership capacity and capability at ExCo-1 level.</li> <li>Cultural transformation in line with business strategy and Blueprint for a modern mutual.</li> </ul>	<ul style="list-style-type: none"> <li>Stable executive team and initial leadership changes implemented following the acquisition of Virgin Money.</li> <li>Colleague engagement performing above industry benchmarks, including within Virgin Money following acquisition.</li> </ul>	<ul style="list-style-type: none"> <li>Transitioned into executive director role while maintaining stability in the finance function.</li> </ul>	<ul style="list-style-type: none"> <li>Led finance, treasury and strategy teams through early acquisition related activity while also delivering high quality day-to-day business responsibilities.</li> </ul>
<b>Service excellence and member value</b> <ul style="list-style-type: none"> <li>Recognised for service excellence and member value. Increasing value for members with leading personal financial service products that meet member needs, and all Consumer Duty requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Consumer Duty fully implemented and maintained first place amongst peers for customer satisfaction.</li> <li>Record level of member value.</li> </ul>	<ul style="list-style-type: none"> <li>Supported pricing decision making to preserve member value and support strong customer retention.</li> </ul>	<ul style="list-style-type: none"> <li>Supported pricing decision making to preserve member value and support strong customer retention.</li> </ul>
<b>Effective governance and contribution to the Board</b> <ul style="list-style-type: none"> <li>Good engagement between ExCo and Board with strong and effective overall governance.</li> </ul>	<ul style="list-style-type: none"> <li>New governance arrangements for Board designed and implemented following Virgin Money acquisition.</li> </ul>	<ul style="list-style-type: none"> <li>Contributed to Board and Executive Committee discussion beyond financial matters.</li> </ul>	<ul style="list-style-type: none"> <li>Contributed to Board and Executive Committee discussion beyond financial matters.</li> </ul>

Executive Director 2024/25 achievement of individual objectives			
Objectives	D A Crosbie	M J Mathieson (note i)	C S Rhodes (note ii)
<b>Impactful stakeholder engagement</b> <ul style="list-style-type: none"> <li>Strong and productive relationships with regulators, governments, political, media and other key stakeholders that help secure policy objectives and raise the profile of the mutual model.</li> </ul>	<ul style="list-style-type: none"> <li>Engaged with political parties to promote manifesto priorities in advance of the General Election.</li> <li>New Nationwide Fairer Futures social impact activity launched.</li> </ul>	<ul style="list-style-type: none"> <li>Prioritised engagement with appropriate regulators through the Virgin Money acquisition process and in readiness for consolidated financial and regulatory reporting.</li> </ul>	<ul style="list-style-type: none"> <li>Led engagement with appropriate regulators, rating agencies, investors, and other stakeholders.</li> </ul>
<b>Weighting</b>	20%	20%	20%
<b>Outcome</b>	20%	12%	20%

## Notes:

- i. M J Mathieson's objectives reflect achievement against individual objectives since his appointment as Group Chief Financial Officer on 6 September 2024.
- ii. C S Rhodes stepped down from the Board on 6 September 2024. His objectives have been assessed based on achievements until that date.

## Long-Term Performance Pay (LTPP) awards in respect of 2024/25

LTPP awards in respect of 2024/25 will be granted in 2025. LTPP awards are discretionary and are granted subject to a pre-grant performance assessment over the year prior to grant based on:

- Individual conduct and performance** – must be satisfactory, including an assessment of individual delivery, behaviours and conduct during the year.
- Leverage ratio and statutory profit before tax** – both gateways must be assessed and passed in respect of the period prior to grant.

After taking into account performance over 2024/25, the Committee agreed to grant D A Crosbie and M J Mathieson LTPP awards of 300% and 100% of base salary, respectively. The Committee is satisfied that the granting of these awards is sustainable according to the financial position of the Group and justified on the basis of individual performance, conduct and behaviours.

The 2024/25 LTPP awards will be subject to a three-year forward-looking performance period commencing 1 April 2025. During this period, performance will be assessed based on a scorecard comprising the elements below. During 2024/25, the Committee reviewed the LTPP performance measures to ensure they remain appropriate in the context of the Group following the acquisition of Virgin Money. The chosen performance measures are aligned to the Group's longer-term priorities and provide a clear link with customers' interests and the achievement of our financial and strategic aims, including our sustainability commitments. At the end of the three-year performance period the Committee will also satisfy itself that there is no significant conduct, risk, reputational, financial, operational or other reasons why the awards should not be released, taking into account input from the Board Risk and Audit committees. Targets are deemed by the Committee to be commercially sensitive and will be disclosed, along with performance achieved, in the Annual Report and Accounts 2028.

2025/26 – 2027/28 LTPP scorecard	Rationale for inclusion within the scorecard	Weighting
Group return on equity employed (note i)	Ensuring the Group's continued financial security for the benefit of its customers via efficient profit generation and sustainable balance sheet management over the long term.	20%
Group underlying profit before tax		20%
Financial Research Survey (FRS) satisfaction	Rewarding 'best-in-class' customer service.	10%
Risk and compliance	Ensuring continued focus on the strength of the Group's control environment.	20%
Transformation	Providing alignment with the Group's long-term strategic priorities and Environmental, Social and Governance (ESG) objectives.	30%

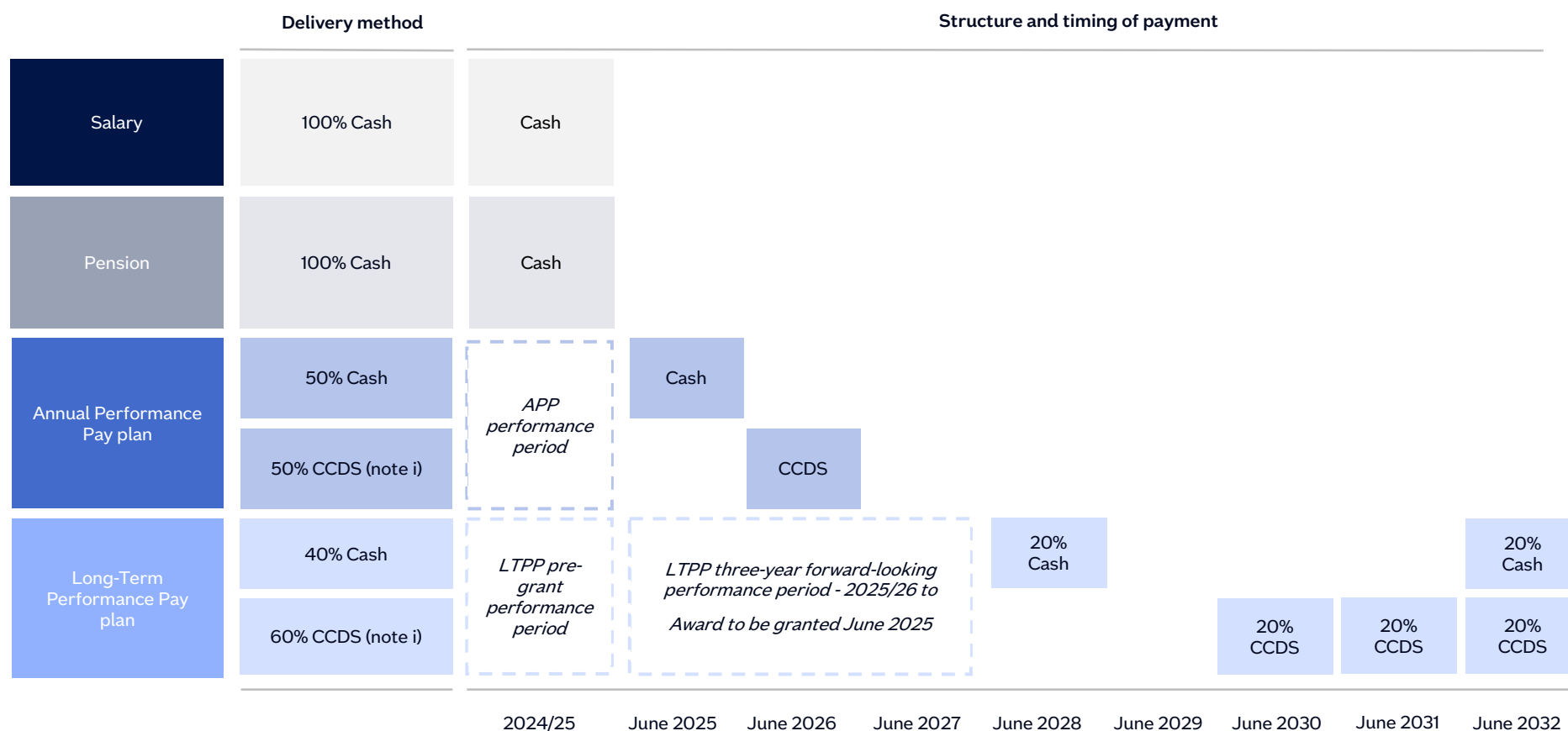
## Note:

- i. Measured as return as a percentage of the minimum amount of capital required to stay above Board Risk Appetite and regulatory requirements throughout a plausible severe macroeconomic stress scenario, while allowing for full distributions to be paid to CCDS and AT1 holders. Return is defined as a post-tax profit, calculated using underlying profit before tax amended to add back member reward payments.

### How awards will be released to executive directors

The illustration below shows how APP and LTPP awards in respect of 2024/25 will be released to executive directors. Across both APP and LTPP elements, a minimum of 60% will be deferred for three and seven years. For awards in respect of 2024/25, the LTPP will be used to satisfy the minimum deferral requirements for both D A Crosbie and M J Mathieson.

In line with the directors' remuneration policy, 50% of APP and, subject to the achievement of the forward-looking performance measures, 60% of LTPP awards will be linked to the value of the Group's CCDS, with the balance paid in cash. The CCDS element will be subject to a 12-month retention period, which is reflected in the timing of payment illustrated below.



Note:

i. Payments are linked to the value of the Group's CCDS.

## Executive directors' remuneration

These disclosures are included in compliance with the Building Societies Act 1986 and other mandatory reporting regulations, as well as the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), which Nationwide has voluntarily adopted to the extent deemed appropriate. The table below shows the total remuneration for each executive director who served during the period ended 31 March 2025.

Amounts of variable remuneration shown below consist of the awards under the APP plan. LTPP awards are subject to the achievement of performance conditions over three years from grant and, to the extent the performance measures are met, details will be included in the relevant directors' remuneration report. Any amounts delivered to the executive directors relating to the first LTPP awards granted in June 2023 will be disclosed within the Annual Report and Accounts 2026.

Single total figure of remuneration for each executive director (note i)						
	D A Crosbie		M J Mathieson (note iii)		C S Rhodes (note iv)	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Salary	1,152	1,137	383	-	316	732
Pension allowance	184	182	61	-	51	117
Taxable benefits (note ii)	44	47	52	-	45	105
<b>Total fixed remuneration</b>	<b>1,380</b>	<b>1,366</b>	<b>496</b>	<b>-</b>	<b>412</b>	<b>954</b>
Annual performance pay	1,111	1,044	338	-	311	636
<b>Total variable remuneration</b>	<b>1,111</b>	<b>1,044</b>	<b>338</b>	<b>-</b>	<b>311</b>	<b>636</b>
<b>Total pay package</b>	<b>2,491</b>	<b>2,410</b>	<b>834</b>	<b>-</b>	<b>723</b>	<b>1,590</b>

## Notes:

- The year end date of Nationwide Building Society has been changed to 31 March. The 2025 single total figure of remuneration for each executive director has been prepared for the period from 5 April 2024 to 31 March 2025.
- Taxable benefits include travel, accommodation and other business-related costs for directors, incurred in connection with the performance of their duties, including any tax due under HMRC regulations, as well as medical insurance, car allowance and security. These amounts are included as fixed remuneration for the calculation of the variable pay ratio in meeting our regulatory requirements.
- M J Mathieson succeeded C S Rhodes as Group Chief Financial Officer and was appointed to the Board on 6 September 2024. The 2025 single total figure relates to the period from 6 September 2024 to 31 March 2025.
- C S Rhodes stepped down as Chief Financial Officer and from the Board on 6 September 2024; details of his remuneration reflect the period of time he served on the Board. The 2025 single total figure relates to the period from 5 April 2024 to 6 September 2024.

## Chairman and non-executive directors' remuneration

The total fees paid to each non-executive director who served during the period ended 31 March 2025 are shown below.

Single total figure of remuneration for non-executive directors (note i)						
	2025			2024		
	Group Fees £'000	Taxable benefits (note ii) £'000	Total fees and taxable benefits £'000	Group Fees £'000	Taxable benefits (note ii) £'000	Total fees and taxable benefits £'000
K A H Parry (Chairman)	581	16	597	557	18	575
T Graham (Senior Independent Director) (note iii)	263	11	274	218	19	237
A Aithal (note iv)	78	7	85	-	-	-
D Bennett (note v)	200	7	207	-	-	-
A Hitchcock	161	16	177	148	23	171
A M Keir	200	15	215	192	20	212
D Klein	121	2	123	119	2	121
S Orton	121	8	129	99	3	102
T Rajah	104	2	106	103	1	104
G Riley	161	26	187	150	30	180
P G Rivett	210	1	211	192	1	193
<b>Total</b>	<b>2,200</b>	<b>111</b>	<b>2,311</b>	<b>1,778</b>	<b>117</b>	<b>1,895</b>
Pension payments to past non-executive directors (note vi)			197			218

## Notes:

- The year end date of Nationwide Building Society has been changed to 31 March. The 2025 single total figure of remuneration for each non-executive director has been prepared for the period from 5 April 2024 to 31 March 2025.
- Taxable benefits for non-executive directors relate to travel, accommodation and other business-related costs in connection with their duties and attendance at Board and committee meetings. Where these expenses are deemed taxable, the Group settles the tax on behalf of the non-executive directors and this is included in the amounts shown. Where a non-UK director is not UK domiciled their reimbursed cost of travel into and out of the UK is not a taxable benefit.
- T Graham was appointed to the Virgin Money Board on 23 January 2025. Group fees for 2025 include £19,000 in connection with Virgin Money Board services in the period from 23 January 2025 to 31 March 2025.
- A Aithal joined the Board on 1 October 2024.
- D Bennett joined the Board on 13 November 2024. Group fees for 2025 include £165,000 in connection with Virgin Money Board services in the period from 13 November 2024 to 31 March 2025.
- Nationwide stopped granting pension rights to non-executive directors who joined the Board after January 1990.

## Additional disclosures

### CEO remuneration for the past ten years

The table below shows details of the remuneration of the Chief Executive Officer role for the previous ten years.

CEO remuneration for the past ten years			
Financial year	Total Remuneration (£'000)	Annual performance pay earned as % of maximum available (%)	Medium term performance pay earned as % of maximum available (note i) (%)
2024/25	2,491	94.9	-
2023/24	2,410	91.9	-
2022/23 (note ii)	3,455 / 301	77.2 / 42.6	-
2021/22	2,114	67.2	-
2020/21 (note iii)	1,236	72.3	-
2019/20	1,286	-	-
2018/19	2,372	75.1	-
2017/18	2,317	69.5	-
2016/17 (note iv)	3,386	71.9	-
2015/16 (note v)	3,413	75.8	80.8

#### Notes:

- Medium term performance pay ceased at the end of 2015/16.
- Figures shown for 2022/23 are those relating to D A Crosbie and J D Garner, respectively. D A Crosbie commenced her role as Group Chief Executive Officer on 2 June 2022. Her total remuneration for 2022/23 was £3,455,452 including the value of replacement awards on joining (£1,704,844). These awards did not form part of ongoing remuneration. The annual performance pay earned by D A Crosbie for 2022/23 was 77.2% of the maximum opportunity. J D Garner stepped down as Chief Executive Officer and from the Board on 1 June 2022. His total remuneration for 2022/23 shown above reflected the period of time he served on the Board. The annual performance pay earned by J D Garner for 2022/23 was 42.6% of the maximum opportunity.
- The performance pay opportunity for 2020/21 was reduced by around two thirds.
- J D Garner commenced his role as Chief Executive Officer on 5 April 2016. His total remuneration for 2016/17 included the value of replacement awards on joining (£1,070,752). These awards did not form part of ongoing remuneration.
- The Chief Executive Officer in 2015/16 was G J Beale. His total remuneration includes annual performance pay awards as well as legacy payouts under the directors' previous medium term pay plan as a result of the transition period between plans.

**Relative importance of spend on pay**

The chart below shows the cost of remuneration for all employees of the Group, compared with retained earnings.

Remuneration cost for all employees (note i)		
	2024/25	2023/24
	£m	£m
All-employee remuneration	1,291	997
Retained earnings	2,117	1,125

Note:

- i. On 1 October 2024, the Group acquired Virgin Money. The results of Virgin Money are included in the Group's consolidated financial results for the period from 1 October 2024 to 31 March 2025 only.

All-employee remuneration represents 36.37% (2024: 39.11%) of total administrative expenses. All-employee remuneration costs include wages and salaries, bonuses, social security costs and pension costs. Total administrative expenses for 2023/24 have been restated as described in note 1 to the financial statements.

The increase in year-on-year remuneration spend is primarily driven by the consolidation of Virgin Money for the period from 1 October 2024 to 31 March 2025.

**Payments for loss of office and payments to past directors**

C S Rhodes stepped down from the Board as Chief Financial Officer on 6 September 2024 and was appointed as Virgin Money Chief Executive Officer effective 1 October 2024. Details of C S Rhodes' remuneration for the period to 6 September 2024 are set out in the single total figure table on page 111.

C S Rhodes is eligible to receive a part-year APP award in respect of services as Chief Financial Officer during 2024/25. Details of his APP award are set out on pages 106 to 109 above.

C S Rhodes will retain his outstanding deferred annual bonus and LTPP awards which will continue to vest and be released at the normal times.

No other fees were payable to C S Rhodes in respect of his services as Chief Financial Officer.

**Pay gap reporting**

The Group is fully committed to promoting a diverse and inclusive workplace. Pay gaps are the difference in average hourly pay, when comparing different groups of people within an organisation. Nationwide's latest gender and ethnicity pay gaps report was published in March 2025 and can be found at [nationwide.co.uk](https://nationwide.co.uk), together with an update of progress on our inclusion and diversity ambition, and Women in Finance Charter commitments. Within the report we have again voluntarily published our ethnicity pay gap, comparing the pay of all employees who have identified as black, asian and minority ethnic (ethnically diverse), with the pay for white (non-ethnically diverse) employees across Nationwide.



## CEO pay ratio reporting

The table below compares the total remuneration of the Group Chief Executive Officer against the total remuneration of the median employee and those who sit at the 25<sup>th</sup> and 75<sup>th</sup> percentiles (lower and upper quartiles). This reporting will build annually to cover a rolling ten-year period. Employee remuneration data for the purposes of the table below does not include Virgin Money employees. We will consider the approach for this disclosure in future years to determine any changes that are appropriate.

The CEO pay ratios for 2024/25 are broadly consistent with previous years. Any amounts paid to the Group Chief Executive Officer relating to the first LTPP awards granted in June 2023 will be reflected in the pay ratios for 2025/26.

Year	Method	25 <sup>th</sup> percentile pay ratio	Median pay ratio	75 <sup>th</sup> percentile pay ratio
2024/25	Option A	78:1	63:1	38:1
2023/24	Option A	78:1	64:1	38:1
2022/23	Option A	71:1	56:1	35:1
2021/22	Option A	80:1	54:1	35:1
2020/21	Option A	51:1	38:1	24:1
2019/20	Option A	53:1	41:1	26:1
2018/19	Option A	99:1	77:1	48:1

The total remuneration and salary values for the 25<sup>th</sup>, median and 75<sup>th</sup> percentile employees for 2024/25 are:

	25 <sup>th</sup> percentile	Median	75 <sup>th</sup> percentile
Total remuneration	£31,978	£39,541	£66,078
Salary	£24,568	£29,475	£51,067

Supplementary information on the tables above:

- The calculation is based on Option A as set out in the regulations, which is considered to be the most statistically accurate methodology.
- Employee data includes full time equivalent total remuneration for all UK employees as at 1 March 2025. For each employee, remuneration was calculated based on all components of pay including base pay, performance pay for 2024/25, core benefits including medical insurance and car allowance, and pension payments.
- The CEO pay ratio for 2022/23 above excludes the one-off replacement awards granted to D A Crosbie upon her appointment as Group Chief Executive Officer.
- For 2018/19, 2019/20 and 2020/21, whilst most employees participated in a defined contribution scheme with a fixed maximum employer contribution, there were other pension arrangements in place for some employees, including a defined benefit pension scheme which has been closed to new participants since 2007. Although it would have been possible to recognise a higher value under the defined benefit scheme, in order to ensure accurate year-on-year comparative data, a fixed value equal to the maximum employer contribution available to the defined contribution scheme members was included for all defined benefit scheme members. From 2021/22 there is only one defined contribution scheme available; therefore, the actual employer contribution value has been used for all employees.
- The Committee has considered the pay data for the three individuals identified for 2024/25 and confirms that the ratios reasonably represent the approach to pay and reward for employees taken as a whole.

## Voting at AGM

Resolutions to approve the 2023/24 Report of the directors on remuneration and the current directors' remuneration policy were passed at the 2024 AGM. In each case votes were cast as follows:

Vote	Report of the directors on remuneration (2024 AGM)	Remuneration policy (2024 AGM)
For	604,654 (95.05%)	601,014 (94.61%)
Against	31,459 (4.95%)	34,260 (5.39%)
Withheld	9,421	10,258

## Remuneration policy implementation for 2025/26

The directors' remuneration policy is subject to member approval by way of an advisory vote at the 2025 AGM. It is intended for the policy to be implemented as follows in 2025/26:

Element	Implementation in 2025/26
<b>Base salary</b> Provides pay that is market competitive and reflects the size and complexity of the role	The Committee determined base salaries for 2025/26 with effect from 1 April 2025 as follows: <ul style="list-style-type: none"> <li>• D A Crosbie £1,205,000 (increase of 3%)</li> <li>• M J Mathieson £675,000 (no change)</li> </ul>
<b>Benefits</b> Provide a market competitive and cost-effective benefits package as part of fixed remuneration	No change for 2025/26.
<b>Pension</b> Provides post-retirement benefits for participants in a cost-efficient manner	No change for 2025/26. The executive directors' contributions are aligned to the maximum rate available to Nationwide sub-group colleagues of 16% of salary.
<b>Annual Performance Pay (APP) plan</b> Rewards the achievement of stretching Nationwide, team and individual targets for a single financial year	For awards made in respect of 2025/26, the target opportunity for D A Crosbie will be 100% with a maximum opportunity of 150% of base salary. For M J Mathieson, target will be 67% of base salary, with a maximum opportunity of 100% of base salary. <b>Performance measures:</b> Awards made in respect of 2025/26 will continue to be subject to the following performance measures: <ul style="list-style-type: none"> <li>• More rewarding relationships: Number of Engaged Customers (12.5%);</li> <li>• Simply brilliant experience: Customer Experience Score (12.5%);</li> <li>• Simplify, integrate and grow: Total Costs (12.5%);</li> <li>• Beacon for mutual good: Heard good things about (12.5%);</li> <li>• Executive Scorecard: Performance against a comprehensive scorecard capturing a wide range of Nationwide's financial and non-financial key performance indicators (30%).</li> </ul> The remaining 20% of the award based on individual contribution, behaviours and conduct. Gateway measures based on profit before tax, leverage ratio and conduct risk will also apply. Targets under the APP plan are commercially sensitive and so will be disclosed, along with performance achieved, in next year's report.
<b>Long-Term Performance Pay (LTPP) plan</b> Incentivises sustainable long-term performance and alignment with members' interests Awards are made annually and only pay out where challenging performance measures are met, normally measured over a three-year period	LTPP awards in respect of 2025/26 will be made following the year subject to the achievement of satisfactory Group performance and individual delivery, behaviours and conduct. The Committee intends to keep LTPP grant levels under review to ensure they remain appropriate. <b>Performance measures:</b> Forward-looking performance will be measured against a long-term scorecard determined by the Committee on an annual basis and set to align with the long-term strategic objectives of the Group. The measures for the 2024/25 LTPP awards (for the performance period 2025/26 to 2027/28) can be found on page 109. Targets for the 2024/25 LTPP awards are commercially sensitive and so will be disclosed, along with performance achieved, in the Annual Report and Accounts 2028. Details of the performance measures for the 2025/26 LTPP (for the performance period 2026/27 to 2028/29) will be included in next year's remuneration report.
<b>Chairman and non-executive director fees</b> Provide a market competitive fee level for the role at Nationwide	The annual review of non-executive director fees for 2025/26 has been undertaken and details are set out below this policy summary table.

**Chairman and non-executive director fees**

Following a review in the year, certain fees payable to the non-executive directors were adjusted with effect from 1 October 2024 to take account of the increased responsibilities and workload for the non-executive directors in light of the acquisition of Virgin Money.

The annual review of non-executive director fees for 2025/26 has been undertaken and fees adjusted with effect from 1 April 2025. Where appropriate, fees have been increased to ensure they continue to be competitively positioned against the market.

Chairman and non-executive director fees for 2025/26			
	Fees effective 1 April 2025	Fees effective 1 October 2024	Fees effective 1 April 2024
	£'000	£'000	£'000
Chairman	650.0	608.0	570.5
Basic fee for non-executive directors	92.0	92.0	92.0
Senior Independent Director	50.0	50.0	38.0
Chair of the Audit, Board Risk or Remuneration Committee	75.0	70.0	62.0
Member of the Audit, Board Risk or Remuneration Committee	34.0	32.0	29.5
Member of the Nomination and Governance Committee	16.5	15.2	13.6
Employee Voice	14.0	13.6	13.6
Member of the Technology Advisory Forum	10.0	10.0	10.0



**Nationwide Building Society**

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