

STONEBRIDGE MORTGAGE SOLUTIONS LIMITED

DIRECTORS REPORT

Section 172 (1) Statement and Stakeholder Engagement

The Board of Stonebridge Mortgage Solutions Limited (“the Company”) consider that they have adhered to the requirements of section 172 of the Companies Act 2006 (“the Act”) and have, in good faith, acted in a way that they considered would be most likely to promote the success of the Company for the benefit of its shareholders as a whole and, in doing so, have had regard to and recognised the importance of considering all stakeholders and other matters (as set out in s.172(1)(a-f) of the Act) in its decision-making.

The new reporting legislation around stakeholder engagement is welcomed by the Board and the commentary and table below sets out our s.172(1) statement. This statement provides details of key stakeholder engagement undertaken by the Board during the year and how it helps the Board to factor potential impacts on stakeholders in the decision-making process.

General

The Company promotes the highest standards of corporate governance and ensures that these standards cascade throughout the group and its subsidiaries. Corporate governance underpins how we conduct ourselves as a board, our culture, values, behaviours and how we do business. As a Board we are conscious of the impact that our business and decision have on our direct stakeholders as well as our wider societal impact.

As part of the director induction process, the directors are briefed on their duties, including their duty under s.172 of the Act. The directors are entitled to request from the Company all such information they may reasonably require in order to be able to perform their duties as a director.

For each transaction approved by the Board, discussion takes place around employee impact and impact on other stakeholders, such as customers. The relevance of each stakeholder group may vary by reference to the issue in question, so the Board seeks to understand the needs of each stakeholder group and potential conflicts as part of its decision-making. Additionally, the group Company Secretary is on hand to provide support to the Board ensuring that sufficient consideration and time is given to stakeholder issues during these discussions.

Each year the directors deliver a forecast which includes a three-year plan prepared in accordance with the long-term strategy of the group. The directors have also acted in the long-term interest of the group by supporting policies, behaviours and actions which promote the interest of people, customers, and other stakeholders.

The table on the following pages sets our key stakeholders and provides examples of how we have engaged with them in the year, as well as demonstrating stakeholder consideration in the decision-making process.

Stakeholders	Our approach to stakeholder engagement	Stakeholder consideration in the Board's decision making
<p>Shareholders</p> <p><i>Our shareholders are vital to the future success of our business, as our shareholders provide funds which aid business growth.</i></p>	<p><i>Performance metrics and updates are provided by the Board to our shareholders.</i></p>	<p><i>As a Board, we aim to provide clear information to our shareholders, and being honest and transparent as to the performance of the business.</i></p> <p><i>Value is generated for the shareholders by supporting the overall group to deliver on the business plan.</i></p>
<p>Customers</p> <p><i>We work closely with our customers to understand their evolving needs so the Company can improve and adapt to meet them.</i></p>	<p><i>To have a strong customer focus but also understand that the best service we can offer our customers is to deliver best value.</i></p>	<p><i>Long term customer engagement is a key part of the process in developing new propositions and progressing existing ones. The Company's market growth in the last 36 months has primarily been an effect of maintaining high levels of quality service and customer engagement.</i></p> <p><i>Where customer relationships are more ad hoc Stonebridge aims to provide a consistently high quality of service at a fair price to fulfil customer requirements.</i></p>
<p>Employees</p> <p><i>Our people have a crucial role in delivering against our strategy and creating value.</i></p>	<p><i>The Company has implemented an employee survey which tracks the employees' view about the business and their connection to it.</i></p> <p><i>An employee panel comprising of representative employees from each area of the business has been formed, which enables the employees to share their views on specific topics.</i></p>	<p><i>Feedback from the employee surveys, as well as the employee panel is reviewed at Operating Board and Executive level and forms the basis of proposals and actions for senior management and the Board.</i></p>

<p>Regulator</p> <p><i>Positive relationships with the Financial Conduct Authority, peers and trade bodies ensures the Company works to high standards and adopts best industry practices.</i></p> <p><i>We are adept at adopting new regulatory requirements such as the FCA's new Consumer Duty.</i></p>	<p><i>We respond swiftly and positively to the regulator and proactively engage on key industry issues.</i></p> <p><i>Our compliance team monitor correspondence and emerging issues raised by the FCA along with industry best practices share through working groups.</i></p> <p><i>We have appointed a board-level 'Consumer Duty Champion'.</i></p> <p><i>The CEO is a member of the FCA's Smaller Business Practitioner Panel representing the mortgage advice portfolio</i></p>	<p><i>The Head of Risk, the Operations Director and a non-executive director focussed on compliance, attend the Company board meetings in order to have the opportunity to raise any relevant issues to the Board's decision making. We operate an independently chaired Risk & Compliance Committee.</i></p> <p><i>A compliance report is provided to each board meeting for consideration</i></p>
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