Minutes of the 212nd meeting of the Directors of the Company held at 10 South Colonnade, London E14 4PU on 28 May 2026

Present:	Attending:
Baroness Natalie Evans (NE) - Board Chair Tracy Vegro OBE (TV) - Non-Executive Director and Chair of People and Remuneration Committee Alison Jeffers (AJe) – Non-Executive Director and Chair of Audit and Risk Assurance Committee David Conroy (DC) – Non-Executive Director Claire Davies (CD) – Non-Executive Director Kevin Holland (KH) - Interim Chief Executive Officer and Accounting Officer Andy Gillies (AG) – Interim Director of Finance and Resources	Clare Dalton (CDa) – Sponsorship team, Department for Energy Security and Net Zero (DESNZ) (observer) Rory White-Andrews (RWA) – Partner, DWF Law LLP (for item 4) Gemma Gregory (GG) - Director of Organisational Design and People (for items 16 to 18) Aman Johal (ASJ) – Governance Officer (minutes)

QUORUM

A quorum being present, NE declared the meeting open.

1. WELCOME, INTRODUCTION, APOLOGIES AND DECLARATIONS OF INTERESTS

The Chair welcomed all to the meeting. Apologies were received from Andrew Jones (AJo) (Shareholder Representative Director, DESNZ). CDa, representing DESNZ on Andrew's behalf, was welcomed as an observer. There were no declarations of interest.

PART 1: PAPERS FOR CONSIDERATION AND/OR APPROVAL

2. MINUTES AND UPDATE ON ACTION ITEMS

The Board formally agreed the minutes of the meeting of 26 March 2026 as a final record (the content having been agreed within seven days of distribution).

The Board noted the action log, and that the actions relating to transition principles (Board030) and internal Board Effectiveness Review (Board032) would be addressed as part of the items on today's agenda.

3. CEO REPORT AND OVERVIEW INCLUDING:

The Board noted and discussed the Chief Executive's update paper, in particular:

3.1 Changes in external environment (Middle East energy security, May elections, political priorities…)

- The challenging external operating environment was discussed. Geopolitical tensions in the Middle East are having a direct impact, disrupting supply chains and contributing to rising energy prices, with consequences for energy affordability. Work is ongoing within DESNZ to consider options to address this.
- Ofgem have announced a 13% increase in the energy price cap, covering the period 1 July to 30 September 2026.
- Political changes in council leadership following the recent local, Scottish and Welsh elections are causing uncertainty.
- Current energy security instability emphasises the importance of Salix's work to reduce energy use in buildings.

3.2 DESNZ organisation

- Significant restructuring within DESNZ's Net Zero Buildings and Industry ('NZBI') directorate continues. Insights on departmental changes and their effects on Salix's operations were discussed.
- NE and KH recently met David Thomas (Interim Director General, Net Zero Buildings and Industry, DESNZ) and Vicky Dawe, now Transformation and Portfolio Director, DESNZ. Discussions were positive and open, with strong feedback received on Salix's reputation, delivery capability and technical expertise. Vicky also attended our London office in May and met with ELT.

3.3 Warm Homes Plan / Warm Homes Agency

- A discussion was had on the Warm Homes Plan and where things currently stand for Salix. The Board requested that more regular updates on key developments between meetings, particularly in relation to the Warm Homes Agency, would be beneficial.

  Action – KH to increase the frequency of updates on key developments between Board meetings as and when appropriate.

- The Board suggested that a strategic options discussion takes place at its July meeting, to get a clear strategy in place that can be presented to the department for their views. The Board said it would be useful to have a senior official from DESNZ attend a future Board meeting to help them understand the department's priorities.

  Action – KH to incorporate a discussion on strategic options at the July Board meeting and investigate whether a senior DESNZ official could attend a future Board.

4. TRANSITION PRINCIPLES TO WHA – LEGAL CONSIDERATIONS

RWA, a Finance and Restructuring Partner at DWF Law LLP, joined to give the Board an overview of legal points to consider as part of Salix's proposed transfer to the Warm Homes Agency. DWF have been procured by Salix to provide ongoing legal advice including expert advice on the proposed transfer on a 'call-off' basis. The information presented by RWA was based on a preliminary review of Salix's Framework Agreement - detailed legal advice would need to be sought in respect of specific concerns or steps going forward.

5. SALIX BUDGET FY 2026-27

The Board noted that the budget remains unchanged. There is now additional comfort regarding the £5 million software development costs earmarked for the grant management system, as DESNZ have agreed in principle that DESNZ Integrated Corporate Services will own and incur the cost of developing the system, and licence this to us. This remains to be formally confirmed, as does our final housing budget.

6 APPROVAL OF PROPOSED WAY FORWARD FOR BOARD EFFECTIVENESS REVIEW

The Board was asked to approve the draft Board effectiveness review ('BER') form, and timetable (issuing the form w/c 1 June, a progress update at July Board, and approving/inputting into the recommendations at or before September Board). The Board noted that NE and KH had discussed the draft form, and that AJo had confirmed it was an acceptable approach from DESNZ's perspective. The review form is similar to last year, with the addition of three 'forward look' questions at the end. The Board suggested that the three-point rating system was limited and floated the idea of expanding the ratings. To allow comparison against last year, it was agreed to keep the existing rating system. The Board asked that the progress on actions from last year's review be uploaded to the Board portal for reference.

The Board noted that they had previously concluded (and DESNZ had agreed) that while an external BER was required by the Corporate Governance Code every three years and was therefore due for Salix, the cost of an external BER would not represent value for money while Salix was expected to transition into the Warm Homes Agency within the near future. An external BER will be required in 2027 if the transition to the Agency is not imminent by that point.

Action: AJ to upload the 2025 BER action tracker to the Board portal.

The Board **AGREED** to proceed with the draft BER form and proposed timetable, while suggesting a more forward-looking approach for next year.

The Board highlighted some general Board constitution challenges.

PART 2: PAPERS FOR NOTING

7 DELIVERY SCHEMES OVERVIEW

7.1 Public Sector Schemes Update

The Board noted the Public Sector Schemes Update paper.

7.2 Housing Schemes and Audits Update

The Board noted the Housing Schemes and Audits Update paper.

8. RISK MANAGEMENT UPDATE AND CORPORATE RISK REGISTER

The Board noted this update. The Board suggested that the governance risk should have a higher risk score.

9 PERIOD 1 FINANCE REPORT

The Board noted the report for the period ended 30 April 2026.

10 FY 2025-26 OBJECTIVES, MILESTONES & KPI - Q4 PERFORMANCE UPDATE

The Board noted the FY 2025-26 Objectives, milestones and KPI Q4 performance update.

11 CHAIR’S OBJECTIVES LETTER FY 2026-27

The Board noted the Chair’s Objectives Letter FY 2026-27

12 CEO AND ORGANISATIONAL OBJECTIVES FY 2026-27 FINAL VERSION

The Board noted the final version of the CEO and Organisational Objectives FY 2026-27

13 COMPLAINTS AND CUSTOMER SERVICE UPDATE FY 2025-26

The Board noted the update. Whilst noting that Salix have an obligation to report to the Board annually on complaints, it was suggested that there should be a de minimis threshold.

14 COMMUNICATIONS MONTHLY UPDATE

The Board noted the Communications Monthly Update.

15 KEY MEETINGS CALENDAR AND BOARD SCHEDULE OF BUSINESS

The Board noted the current calendar and schedules of business for the upcoming financial year.

PART 3: ADDITIONAL PAPERS FOR CONSIDERATION AND/OR APPROVAL

16 PEOPLE UPDATE

16.1 Employee engagement, retention & turnover, appraisals and resources & development

GG gave the Board a high-level update on people initiatives, including:

- The employee engagement survey (results to be discussed at the June People and Remuneration Committee meeting).
- The employee forum and the new listening group.
- The improved process and policy for learning and development programmes.
- The impending implementation of a new HR payroll system.
- The ongoing retention challenges and work underway to address them.
- Town halls moved to monthly with open Q & A.
- 126 members of staff have completed the level 2 Retrofit course and obtained certification.

In the course of discussion, the Board raised a number of questions which were covered at the meeting.

16.2 Way forward for governance and secretarial role

The Executive had worked through multiple options for the replacement of the Head of Governance and Company Secretary, and recommended an internal recruitment process for the Head of Governance role, supported by specialist legal advice and expertise from DWF on company law and transition matters.

The Board expressed concern that this option would not provide "in the room" company secretarial support for the Board, which is the Board's preference given Salix's heightened governance risk. The Board asked that the option of an interim company secretary should be considered in more detail.

Action: GG / AG to investigate other options and bring updated options proposals, together with the job description for the role, back to the Board via correspondence.

17 AOB

None.

18 CLOSED SESSION OF NON-EXECUTIVE BOARD MEMBERS PLUS KH & GG

The non-executive members of the Board, plus KH and GG had a discussion in the absence of all other officers.

19 CLOSED SESSION OF NON-EXECUTIVE BOARD MEMBERS

The non-executive members of the Board had a discussion in the absence of all other officers.

DATE OF THE NEXT BOARD MEETING

The next scheduled meeting of the Board is on 28 July 2026 in our Manchester office.

Baroness Evans of Bowes Park
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Chair

28 July 2026
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Date