



MANSFIELD

BUILDING SOCIETY

MINUTES OF THE 150TH ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF THE MANSFIELD BUILDING SOCIETY HELD AT 4:00PM ON TUESDAY 28 APRIL 2020 AT THE HEAD OFFICE OF MANSFIELD BUILDING SOCIETY, REGENT HOUSE, REGENT STREET, MANSFIELD, NOTTINGHAMSHIRE NG18 1SS.

PRESENT

J Cross	Chair
R Clifford	Vice Chair and Senior Independent Director
R J Hartley	Director
A Chmiel	Director
C Bradley	Director
N Baxter	Director
G Lynott	Director and Chief Executive
P Wheeler	Director and Deputy Chief Executive, Finance Director and Secretary
D Jones	Finance Director Designate
M Rowell	KPMG LLP
A Grosberg	BDO LLP
Together with 8 additional members (made up of Society staff)	

The Chair opened the meeting and welcomed the members to the 150th AGM. The Chair then introduced the Directors, Matt Rowell and Ariel Grosberg to the meeting.

The Chair gave a short address outlining the scheduled format of the evening referencing the change from the usual format taking consideration of the current Coronavirus pandemic, which has resulted in this AGM being held behind closed doors. The Chair thanked all non-staff members for their understanding and cooperation with the Society's decision for proceeding in this manner and for taking the time to cast their vote by post and online and ask questions in advance.

APOLOGIES

The Chair stated that apologies had been received from Charles Dawson, the Society's Solicitor and David Fisher, Former Chief Executive.

NOTICE OF MEETING

The Chair reported that notices of the meeting had been issued to all eligible members by post and email and that notices had also been displayed in each of the Society's branches. Further updates regarding the format of the meeting have been posted on the website and sent via email. The Chair asked if any questions had been raised in advance regarding the notice.

The Secretary confirmed there had been no questions.

The Chair asked if the meeting would accept the notice as having been read.

This was approved.

MINUTES

The Chair reported that the minutes of the last AGM of members held on 26 April 2019 had been signed and made available on the Society's website. The Chair asked if any questions had been raised in advance regarding the minutes.

The Secretary confirmed there had been no questions.

The Chair asked if the meeting would accept the minutes as approved.

This was approved.

AGENDA ITEM NUMBER 1 - TO RECEIVE THE INDEPENDENT AUDITORS REPORT

The Chair referred to the Auditors' Report on page 17 of the Summary Financial Statement for the Year Ending 31 December 2019 and pages 25 to 30 (inclusive) of the 2019 Report and Accounts. The Chair asked if any questions had been raised in advance for the Auditors.

The Secretary reported that a question had been raised as to why KPMG are resigning as auditors.

The Chair asked Matt Rowell from KPMG to answer.

Matt Rowell stated that KPMG had noted that they were auditors for over half of the building societies in the UK, which they felt was too much of a concentration in one sector. KPMG therefore took the decision to exit many of their longest building society relationships, including the Mansfield, to reduce their market share to c25%, which they consider to be a more sustainable position in the long term.

The Chair asked Mr Rowell to confirm that the decision had nothing to do with any concerns regarding the Society. This was confirmed by Mr Rowell.

The Chair asked if there are any further questions for the auditors.

The Secretary confirmed that there were no other questions.

AGENDA ITEMS 2-5 – VOTING ON ORDINARY RESOLUTIONS

The Chair confirmed that all members had been asked to vote in advance of the meeting by post or online due to the Coronavirus pandemic and invited questions from those present.

There were no questions

The Chair asked if any questions had been raised in advance regarding the Ordinary Resolutions.

The Secretary confirmed that one member had asked:

Why are we asked to vote on the Directors Remuneration when it is only advisory?

The Chair confirmed that as a mutual building society owned by the members, the Board are very keen to hear what our members have to say. If the members' vote was not in favour of the director's remuneration then the Board would take this into account when agreeing the packages paid. The Board do however benchmark salaries against our peer group of Societies regularly and are keen to ensure that they are set at a level which attracts and rewards high quality executives. The Board also consider the salaries to be fair for the roles being performed

The Secretary confirmed that no other questions were raised in advance regarding the Ordinary Resolutions.

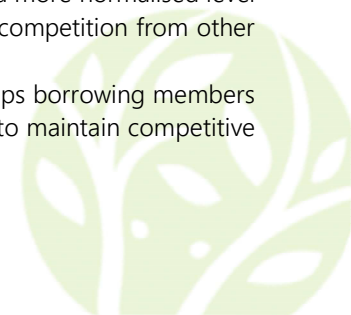
The Chairman confirmed that the results of the voting would be announced later in the meeting.

The Chairman handed over to the Chief Executive to address the meeting.

CHIEF EXECUTIVE'S ADDRESS

Mr Lynott said he was pleased and proud to report that as the Society celebrates its 150th Anniversary Year it is in excellent health and continues to perform very well. He noted:

- 2019 was an incredibly tough year with:
 - the uncertainty around Brexit, having a negative impact on the housing sector
 - the unintended consequences of the Government's 'ring fencing' of retail banks, which had the knock-on effect of igniting very fierce competition in the mortgage market, recalling one large lender offering mortgages at 0.98% during the year.
- In response to the challenging market, the Society continued to extend its proposition into underserved segments of the mortgage market which is where the personal and pragmatic approach to mortgage underwriting continues to flourish.
- Following on from two years of exceptional growth in mortgage balances during 2017 and 2018, the year ending 31 December 2019 saw the Society achieve a record profit of £1.9million (after tax).
- At last year's AGM it was noted that during 2019 it would be important to moderate the rapid growth that we had achieved to ensure that the Society did not grow too quickly. This led to an increase in mortgage balances at a more normalised level of 4% year on year for 2019. This level of growth reflected the impacts of Brexit and the increased competition from other lenders which had a natural dampening effect.
- The Society needs to continue its focus on growing its mortgage balances, not only because this helps borrowing members meet their financial needs, but it is also a vital part of ensuring that sufficient profitability is created to maintain competitive savings rates.



- Strong support was achieved for the Local and Loyal approach taken for existing members and savers across the Society's Heartland Area and there had been a number of mentions in the 'Best-Buy' tables which resulted in a £30million increase in savings balances in 2019.
- The Society's ongoing success has enabled improvements to the service proposition and investment in the Society itself which members can be proud of.
- In 2019 investment was made in a number of areas including the fresh new brand which has received favourable feedback and an enhanced website and online savings portal. The Sutton-in-Ashfield branch was successfully re-sited to a vibrant new premises resulting in an immediate uplift in customer visits.
- The Society's achievements in 2019 had been reflected in several nominations for industry awards, reinforcing the fact that the Society is well regarded and continues to focus on doing the right things.

My Lynott added that on a personal note he would like to confirm his retirement at the end of April. He noted that he had been working in the financial services industry for over 40 years having first started employment with the Burnley Building Society in 1979. He stated that the 8 and a half years he had spent as Chief Executive of the Mansfield had been enjoyable and very fulfilling noting that the last 3 years of record breaking performances had been a testament to the talent, experience and can-do spirit that had been nurtured at the Society.

Mr Lynott stated that he had been pleased at how all of the Society's staff had risen to the many challenges and that he knew he could step away leaving the Society in very capable hands.

My Lynott added his personal thanks to the Board of Directors, the Executive Team and all the staff at the Society for making the last 8 and a half years the happiest and most positive in his 40 year career and wished everyone connected with the Society continued success and happiness.

AGENDA ITEMS 2-5 - RESULTS OF VOTING ON ORDINARY RESOLUTIONS

The Secretary advised that the scrutineers had confirmed that no further voting forms had been submitted during the meeting and announced that the voting results from the AGM poll were in favour of:

- **Ordinary Resolution Number 2 - To receive the Directors' Report, Annual Accounts and Annual Business Statement for the year ended 31 December 2019.**
- **Ordinary Resolution Number 3 - To appoint BDO LLP as Auditors until the conclusion of the next AGM.**
- **Ordinary Resolution Number 4 - To approve the Directors Remuneration Report for the year ended 31 December 2019.**
- **Ordinary Resolution Number 5 - (i ,ii, iii) - To re-elect Directors Nicholas Paul Baxter, Robert James Hartley and Paul Clifford Wheeler.**

The Secretary confirmed that Nicholas Baxter, Robert Hartley and Paul Wheeler were duly re-elected to the Board and that the full results of the 2020 AGM vote will be published on the Society's website.

ANY OTHER BUSINESS

The Chair stated that the Secretary had not been informed of any other business that may be brought before the meeting by the Board.

The Chair then closed the AGM noting that it was hoped that the Member Reception and Community Awards Event which usually follow the meeting would be rescheduled for later in the year.

The Chair gave formal thanks to Gev Lynott, retiring as Chief Executive on 30 April 2020, for his dedication and commitment in his 8 and a half years' service with the Society. The Chair then welcomed Paul Wheeler as the new Chief Executive and Dan Jones as the new Finance Director and wished them well in their new positions.

The Chair noted that it was the intention of the Society to hold the Member Reception and Community Awards Event which usually follows the AGM as soon as practically possible when the Government restrictions have been lifted.

