

MINUTES OF THE 151ST ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF THE MANSFIELD BUILDING SOCIETY HELD AT 4:00PM ON TUESDAY 27 APRIL 2021 AT THE HEAD OFFICE OF THE MANSFIELD BUILDING SOCIETY, REGENT HOUSE, REGENT STREET, MANSFIELD, NOTTINGHAMSHIRE NG18 1SS.

PRESENT

J Cross	Chair
N Baxter	Vice Chair and Senior Independent Director
A Chmiel	Director
C Bradley	Director
R Clifford	Director
L McClements	Director
P Wheeler	Director and Chief Executive
D Jones	Director and Finance Director
J Watson	Governance Executive and Society Secretary
A Grosberg	BDO LLP
N Cheong	BDO LLP
Together with 9 additional Members (made up of Society colleagues)	

The Chair opened the meeting and welcomed the members to the 151st AGM.

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 as a closed Meeting. The meeting being broadcast live on Social Media and the Society's website, with only Society colleagues in attendance in order to make up the quorum of qualifying Members required. The Chair thanked all non-colleague 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 and asking any questions in advance of the Meeting.

APOLOGIES

The Chair confirmed that no apologies for absence had been received.

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 and on the Society's website. The Chair asked if any questions had been raised in advance regarding the Notice.

The Secretary confirmed there had been no questions raised which would be seen as an objection to the full Notice being taken as read.

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 28 April 2020 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 raised which would be seen as an objection to the Minutes being taken as read.

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 15 of the Summary Financial Statement for the Year Ending 31 December 2020 and pages 31 to 38 (inclusive) of the 2020 Report and Accounts. The Chair asked if any questions had been raised in advance for the Auditors.

The Secretary confirmed there had been no questions raised for the Auditors.

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, online or in one of our branches 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:

"Looking at the annual Directors Remuneration report, Paul Wheeler received a pension contribution of nearly 24%, and Daniel Jones, nearly 15%. For entry and middle management colleagues, please can you share the maximum available society pension contribution into a defined contribution plan - and what action is the Remuneration Committee taking to address this imbalance?"

The Chair confirmed that in respect of the Directors Remuneration Report, the CEO receives a contractual employer pension contribution from the Society of 12% and the Finance Director receives one of 10% and that they both choose to salary sacrifice their employee contributions. The Chair continued, stating that the effect of this salary sacrifice is that, in the Remuneration Report, employees' contributions are shown as pension instead of salary, which explains why the Member's calculations have reached a much higher apparent level of pension. The Chair noted that employer contributions of 10-12% are consistent with industry benchmarks for roles at this level of seniority.

The Chair confirmed that the Society's overall remuneration package is reviewed on an annual basis, including salary, pension contributions and benefits which is then benchmarked against local organisations and sector peers. The Chair confirmed that the 2020 benchmarking data within Mansfield & District indicates that the Society's offering is favourable to a large number of local employers and that a range of pension contributions are paid dependant on role and time with the Society, with the maximum contribution being 7% (with the exception of Executives).

The Chair then confirmed that the next review and benchmarking of pension contributions was due to take place in January 2022 and that this will take into consideration the difference in employer contribution rates between Executives and colleagues and look at ways in which the imbalance can be addressed whilst remaining competitive as an employer in both location and sector.

The Chair asked if any other questions had been raised.

The Secretary confirmed that one member had asked:

"What actions or programs can the society share information on, on how management and the Board is trying to promote within or attract to Mansfield, Black, Asian and Minority Ethnic colleagues, particularly to fill or have a pathway to senior leadership roles within the society?"

The Chair deferred the question to the CEO.

The CEO confirmed that the Society believes that the success of the Society's business depends on having the right people in the right roles and that it seeks to be an equal opportunities employer, applying objective criteria to assess merit. The CEO confirmed that the Society aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of gender, gender reassignment, age, ethnicity, nationality, religion, marital status, pregnancy or maternity, sexuality, disability or any other irrelevant factor.

The CEO continued, stating that the Society recognises and promotes diversity in its workforce, appreciates the value of difference and that it is committed to protecting the rights of all employees, believing firmly in having an inclusive culture which enables all colleagues to feel they belong, are respected and valued for their contribution. The CEO confirmed that the Society is currently developing an Inclusion Strategy to ensure its culture continues to develop, as having an inclusive culture will achieve a workforce in which all colleagues can develop and succeed regardless of their background.

The CEO confirmed that over the last 2 years the Society has successfully developed over 35 colleagues through internal Leadership and Management Development programmes and that individual aspirations, future opportunities and any areas for development are addressed by the established Succession Plan, which has resulted in 27 internal promotions since January 2020 and a number of colleagues being currently on progression plans.

The Chair asked if any other questions had been raised.

The Secretary confirmed that one member had asked:

"I would like to know the Society's view on the use of renewable energy sources such as solar power or from wind turbines. Is the Society's energy policy influenced more by cost control than sustainability? There has been welcome investment to refresh branches and Head Office but is renewable energy seen as a cost rather than an investment?"

The Chair deferred the question to the Finance Director.

The Finance Director confirmed that the Society has a Corporate Social Responsibility Policy in which it is specifically acknowledged that it is the Society's responsibility to embrace the global threat of Climate Change, both from an internal financial risk perspective, as a responsible lender, and as a responsible corporate citizen by playing an active role in helping the UK achieve Carbon Neutral status.

The Finance Director confirmed that the Head Office building on Regent Street had undergone refurbishment work in 2020, which included the replacement of many of its old single pane windows with modern double glazed windows noting that this will significantly reduce overall energy usage and the consequent environmental impact. The Finance Director added that when renewing energy contracts, cost is certainly a factor as the Society's main aim is to use members' resources efficiently, but vendors' progress in terms of the mix of energy they source in providing the energy to the Society is also considered. The Finance Director noted that as an example, one of the Society's main providers, SSE, now sources 31% of its energy from renewables, which he noted is pleasing to see.

The Finance Director confirmed that the Society is actively reviewing working practices as the Society emerges from the Covid crisis, including the ways of working adopted during the lockdown that had a positive environmental impact that might be sustainable longer term. This could include a higher proportion of homeworking, leading to less commuting, and continued digitisation of processes, which has significantly reduced the use of paper.

The Chair asked if any other questions had been raised.

The Secretary confirmed that a number of other questions had been received regarding the voting process, however these were not related to the Resolutions presented and have been answered directly.

The Chairman confirmed that the results of the voting would be announced later in the meeting and handed over to the Chief Executive to address the meeting.

CHIEF EXECUTIVE'S ADDRESS

The Chief Executive (CEO) said he was pleased and proud to report that as the Society signs off on its 150th Anniversary Year it is in excellent health and continues to perform very well. He noted:

- 2020 was an incredibly tough year, which saw the Society:
 - reacting well to the initial Covid-19 lockdowns with a clear strategy to protect Members, Colleagues and Mortgage Assets
 - tightening our Credit Risk Policies, enabling home-working and creating Covid-secure branches to serve Members' needs
 - organising virtual valuations to continue mortgage lending and virtual interviews for customers to open savings accounts
 - following the FCA giving only 24 hrs notice before issuing their rules on how to provide payment deferrals to any mortgage customer requesting one, the Society not only met this challenge but also introduced a proactive contact strategy for the applicable customers to ensure the implications of their decision to proceed was fully understood
- The CEO noted his pride in how the team at the Society rose to the challenge of 2020, staying open for business throughout the crisis and continuing to offer all normal services, albeit with response times and processing speed suffering due to the temporary solutions that were put in place for working from home.
- The Society continued to grow both its mortgage and savings books whilst delivering a number of change projects, most notably the opening of the new Flagship Branch in the heart of Mansfield Town Centre, now being enjoyed by colleagues and Members alike and the deployment of a new internal portal for mortgage customers to switch mortgage products at the end of their product term, with feedback on this innovation being very positive.
- Covid-19 had an initial negative impact on the mortgage market, however the subsequent Government support via the Stamp Duty Holiday had the opposite effect of creating too much demand and resulted in backlogs. Whilst service levels were impacted by this the Society has continued to lend in the underserved segments which have brought success in recent years and where the Society's personal and pragmatic approach to mortgage underwriting continues to flourish.
- Following on from the slower growth in 2019, the year ending 31 December 2020 saw the Society maintain a similar level of mortgage growth of almost 3%, driving a very credible profit after tax figure of £1.5million.
- 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.
- Unfortunately for savers, the Bank of England rate cuts reduced savings returns to very low levels in 2020, however the Society remained very competitive with strong support being achieved for the Local and Loyal approach taken for Members and Savers. The restrictions imposed by Lockdown did however result in a reduction in overall savings growth to £2.6million.
- One of the more difficult challenges during 2020 was keeping colleagues safe whilst offering the essential services the Society offers in the best way possible. This challenge was met by operating either from home or in rapidly adapted buildings with screens, social distancing and PPE.
- Engagement with colleagues also needed to be different in 2020 and the Society had to find ways of ensuring people stayed connected whilst being remote in their homes.
- The CEO said he was proud to say that the Society had stepped up to meeting the challenge and as a result of the many initiatives that were put in place, including virtual parties, virtual learning, video messages and socially distanced outdoor meetings the Society had been awarded a two star rating of *Outstanding to Work for* in a recent Best Companies Survey. This togetherness, the CEO said, was very much part of his vision for the Society and as the Society emerges from the pandemic he intends to continue to invest in its people as well as service to its Members.
- As a modern Mutual, the Society will offer a choice to Members of how they interact with their Society. This may be physical in modern branches, digitally via the Internet or by video calls, telephone, letter or email. The Society will also continue to be a great place for colleagues to work, providing excellent service to all Members.

- In 2020 the Society continued its dedication to supporting the community, focussing keenly on efforts to support those who had suffered as a result of the pandemic and partnering with a number of organisations to supply physical help as well as financial support. Key highlights were the Toy Appeal at Christmas, which was supported by colleagues, suppliers and Members and the support given to the Schools Out campaign, which provided food for children living in poverty. Food and funds were also provided to a number of foodbanks and a supply of cuddly Stanleys (the Society's mascot) were donated to Kings Mill Hospital for children on its wards.

The CEO concluded by thanking all colleagues at the Society for stepping up to the challenge of the pandemic. He noted that 2020 had been difficult for everyone and that he was proud to have led the Society through such a turbulent time. The CEO said he was looking forward to continuing to lead the Society into an exciting future, continuing to serve Members for many years to come.

The CEO handed back to the Chair.

The Chair echoed the CEO's comments and on behalf of the Board thanked colleagues and Members alike for their contributions in 2020.

AGENDA ITEMS 2, 3 AND 4 - 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 2020.**
- **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 2020.**

AGENDA ITEM 5 - RESULTS OF VOTING ON ELECTION OF DIRECTORS

- **Ordinary Resolution Number 5 (i, ii, iii, iv, v, vi, vii, viii) - To re-elect Directors Nicholas Paul Baxter, Colin George Bradley, Alison Joan Chmiel, Robert Martin Clifford, Jeremy David Cross, elect Daniel Glynn Jones and Lucy Jane McClements and re-elect Paul Clifford Wheeler.**

AGENDA ITEM 6 - RESULTS OF VOTING ON SPECIAL RESOLUTION

- **Special Resolution Number 6 - To approve the Rule changes as detailed in the Summary of Rule Changes**

The Secretary confirmed that Nick Baxter, Colin Bradley Alison Chmiel, Rob Clifford, Jeremy Cross and Paul Wheeler were duly re-elected to the Board, Dan Jones and Lucy McClements were duly elected to the Board and that the full results of the 2021 AGM vote will be published on the Society's website along with the minutes of the meeting following approval by the Society's Board on 27th May.

ANY OTHER BUSINESS

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

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.