

**MINUTES OF THE ANNUAL GENERAL MEETING OF MEMBERS OF THE SOCIETY HELD**

**ON WEDNESDAY, 24<sup>th</sup> APRIL 2024, AT 1.45 P.M., AT COBALT W1**

**ON THE PLATFORM**

Directors

James Ramsbotham (Chair)  
Mick Thompson ((Deputy Chair)  
Adam Bennett (Non-Executive Director)  
Rory Campbell (Non-Executive Director)  
Michele Faull (Non-Executive Director)  
Bryce Glover (Non-Executive Director)  
Andrew Haigh (Chief Executive)  
Anne Laverack (Business name: Anne Shiels) (Non-Executive Director)  
Stuart Lynn (Non-Executive Director)  
Stuart Miller (Interim Managing Director NSSL)  
David Samper (Chief Financial Officer)

Group Secretary

Catherine Bolam

**PRESENT**

All Directors were present. 84 Members of the Society and 9 guests registered their attendance.

**1. NOTICE CONVENING THE MEETING**

The Chair, on behalf of the Board, welcomed members of the Society to the meeting. He advised that the meeting was being streamed online and members were therefore able to watch and cast their vote by this means.

The Chair advised that the Notice convening the meeting had been distributed to qualifying members, and this was taken as having been read.

**2. CHAIR'S ADDRESS INCLUDING OVERVIEW OF 2023**

The Chair addressed the meeting and introduced the members of the Board. In respect of changes to the Board, the Chair advised that Stuart Lynn would be retiring as a director from all of his roles within Newcastle Building Society at the end of the AGM. On behalf of the Board, he recorded his sincere thanks to Stuart for the contributions he has made during his time as a director of the Society.

The Chair advised that at the start of the year Michele Faull had informed the board of her intention not to stand for re-election at this AGM due to personal reasons. However, due to a change in circumstances Michele has recently informed the Board that she would like to continue within her role as a Director of the Society. Due to procedural deadlines, it was not possible to include her for re-election within the notice of the meeting and on voting forms for this AGM. Therefore, Michele will stand down as a director at the end of the AGM. The Board will meet shortly after the AGM, when it will be proposed that Michele is re-appointed as a Director of the Board to a casual vacancy, and she will then stand for formal re-election at the next AGM. The Chair advised that Michele brings a wealth of experience to the Board and the Board are delighted that she would like to continue in her role.

The Chair summarised some of the key achievements of the Society during 2023. The continuation of conflict in Ukraine, rising tensions in the Middle East and the ongoing climate emergency have all contributed to a gloomy picture. Inflation and rising interest rates over the last 18 months have pushed up the cost of living putting significant pressure on individuals, families and communities whilst creating a challenging environment for business. The Chair advised that he was pleased to be able to share at the meeting not just a strong performance for the Society for 2023, but many other examples where a positive difference has been made to the communities it serves as the purpose of 'connecting our communities with a better financial future' is delivered.

The Chair then turned to the subject of the Philips Trust, which has been a cause of concern for some members. He commented that this is a complex situation and not everything that has been commented on in the media has fully represented the facts. He advised that Andrew Haigh would provide more background and an update in his presentation. He stressed that the Society has never had a relationship with Philips Trust and has never referred customers to Philips Trust. This does not mean that the Society is not concerned to learn of the distress and worry experienced by customers affected by this and that it is not considering supporting customers. The Society is not responsible for the actions of Philips Trust and any support given will be on a voluntary basis.

The Chair then provided an overview of the Mutual Value Membership model that has been adopted by the Society to help understand the many ways that it can support the communities it serves. The model is a product of extensive research by the Monash University in Melbourne and it brings academic rigour to understanding how and where mutuals deliver value for their stakeholders. The Society is the first mutual in the UK to adopt the model. The Chair introduced Melina Morrison, CEO of the Business Council of Cooperatives and Mutuals who will formally present the Society's accreditation for use of the model later in the meeting.

The Chair stated that another significant moment in 2023 was the merger with Manchester Building Society and extended a further welcome to Manchester customers and colleagues attending the meeting for the first time.

The Chair thanked all colleagues at the Society who work hard to support members and to provide a positive impact in the community. He also thanked the members for their continued support.

### **3. BUSINESS UPDATE PRESENTATIONS**

Andrew Haigh, the Society's Chief Executive, followed by David Samper, the Society's Chief Financial Officer, both provided a business update. This included an update of the Society's position regarding the ongoing situation with Philips Trust Corporation. The Society takes its commitment to purpose and to supporting its customers seriously and even though it is not responsible for the difficulties its customers are experiencing, it does want to act on a voluntary basis. There is more work to do before any specific details can be announced but it is the Society's intent, on a voluntary basis, to provide meaningful financial support for affected customers. It will take a little while longer to work through the detail of precisely where this support will apply and how it will be delivered.

The Chair asked if anyone had any questions to raise concerning the 2023 Annual Report & Accounts or any other aspect of the Society's performance. The Chair said he would also take any questions at this point on all the other resolutions to be voted upon at the meeting, including the Re-appointment of the Auditors, the Directors' Remuneration Report, or on the Election and Re-election of Directors.

Members then raised various matters, covering a number of issues, including:

- A Member requested a meeting with CEO to discuss the Philips Trust matter. It was agreed that a mutually convenient date would be arranged after the meeting.
- What investigations were carried out into the Will Writing Company and what monitoring was done to check the work was correct and satisfactory for the Society's members? The Will Writing Company was subject to regular checks, the Society took independent legal assessment on the quality of the wills that were being produced and whether they were fit for purpose.
- A guest read out an impact statement regarding Philips Trust on behalf of a member. She noted that the purpose of the statement was to lay out the emotional and financial impact on the members and to ensure that the situation is fully understood by the Board. The Chair assured members impacted by Philips Trust that the Board had a full understanding of their situation. Andrew Haigh confirmed that in due course the Society will set out the support that it feels is appropriate to give.
- The print in the member booklet is difficult to read being both very small and grey rather than black. Could this be reconsidered for future years? The Society will take on board these comments.
- What percentage of the Society's investments are made in renewable energy and defence? As a Society we are a deposit taker and as such do not run any investment funds. The Society does have a financial advice subsidiary, Newcastle Financial Advisers, who are able to discuss with a

customer their investment requirements and if they were to be directed in a particular way from an environmental perspective. The Society is conscious of its responsibilities as a business from an environmental perspective: from day-to-day matters such as using green energy sources and upgrading to a predominantly electric van fleet; and at a more strategic level the Society is investigating signing up to the UN Principles of Responsible Banking and what this will mean for how the organisation aligns with the UN Sustainability Goals.

- In the Annual Accounts Manchester Building Society (MBS) is shown as losing £2.2m in the 6 months to 30 June 2023. How much of this loss is a one-off cost associated with its closure and if there is a residual loss remaining, does the Board intend to address this and how? There are not costs associated with the closure and the brand itself is retained. In the first half of the year, the MBS assets were brought in with fair value adjustments that has a negative impact in year 1.
- MBS lost £2.2m in the last year and in the prior year there were losses of £1.5m, it seems that MBS was in a situation where it was losing money and presumably that position has rolled over to the Society and potentially has a business that is going to be dragging its performance down. The Society can provide assurance that the underlying business that has come across from MBS will not be loss making. There is an ambition to build a strong brand and identity in the Northwest. David Samper will discuss the question in more detail with the member separately after the meeting.
- Historically when the Bank of England has adjusted interest rates it has taken the Society 2-3 months to reflect this to members. What progress has been made on this and has the process been accelerated as 2-3 months seems to be a long time to take to adjust the rates when other organisations are taking 11 days? The Society's average rates are extremely competitive. The Society's key driver is to keep a consistently competitive position over time for customers, particularly on the high street. The speed with which the Society responds to any rate changes is a complex process. David Samper can discuss this further with the member after the meeting.

What prompted the decision to retain the MBS brand, and will it continue to be retained? - The Society is a local and regional Society and knows its position in the North-east. The North-west is a very distinct region in its own right and if the MBS name and the staff in Manchester are retained, the Society can carefully and thoughtfully explore how it might grow in Manchester under the MBS brand. Keeping the name is fundamental to authentically deliver against the Society's purpose in the North-west region and to respect a brand that is over 100 years old.

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- Are there any specific ways in which the members have derived benefit from the merger with MBS? – The merger has delivered value to all members. For Manchester members there is security and commitment to the future; the scale of the organisation; the technology that can be applied behind the scenes; and the understanding of being a mutual and to building further on that understanding. For the Newcastle members it is a way to continue to grow authentically. The most important consideration was whether the merger will be beneficial for both sets of members as the Society should not be doing anything that is detrimental to any of its members.
- How do I add my spouse to my account? - This can be done either in branch or by using the contact details which are available +online.
- Is it a policy to have small branches in places like libraries rather than on the Society's own premises? – The Society is opening a flagship branch in the middle of Newcastle, but equally in North Tyneside a branch is being opened inside the YMCA, which is a thriving community hub. Each place will be taken on its own merits and the Society will do what it believes is the best way to deliver on its purpose.
- How long does the process of getting a community grant take from submitting the nomination to it being awarded? – There is a committee that reviews all grant applications that meets twice a year. It is dependent on when the application is submitted, but on average it takes about 3 months. The Society ensures that it lets everyone who has applied know whether they have been successful.

The Chair informed members that if they had any further questions to raise then the Directors, together with the Executive team, would be please to answer these over refreshments at the end of the meeting. In addition, because the Society welcomed feedback from members, there would be the opportunity to complete questions/comments cards after the meeting.

#### **4. ORDINARY RESOLUTION TO RECEIVE THE ANNUAL REPORT & ACCOUNTS**

The Chair advised that in accordance with legislative requirements, copies of the Summary Financial Statement, included within the Member Update booklet, had been sent to all qualifying members in March 2024 and a copy also made available on the Society's website. A copy of the Annual Report & Accounts had also been made available on the Society's website and within Branches.

The Chair noted the Annual Report & Accounts had been in hand for the statutory period and advised that he had nothing further to add to his statement contained within the document. The Chair proposed an ordinary resolution, requiring a simple majority, to receive the Directors' Report, the Annual Accounts, the Annual Business Statement, and the Auditors' Report for the year ended 31<sup>st</sup> December 2023. The Chair said that as we had asked members who had completed proxy voting forms to vote on all resolutions, he was calling a poll on all resolutions so as to include the votes of all members who had taken the trouble to vote by proxy.

The Chair then asked all those who were entitled to vote to complete this item on their voting form and he also asked those who had joined on-line to also cast their votes. The Chair added the Board recommended members to vote 'For' this resolution.

#### **5. ORDINARY RESOLUTION TO RE-APPOINT DELOITTE LLP AS AUDITORS**

The Chair proposed an ordinary resolution, requiring a simple majority, to re-appoint Deloitte LLP as the Society's Auditors until the conclusion of the Society's Annual General Meeting in 2024.

The Chair then asked all those who were entitled to vote to complete this item on their voting form and he also asked those who had joined on-line to also cast their votes. The Chair added the Board recommended members to vote 'For' this resolution.

#### **6. ORDINARY RESOLUTION TO APPROVE THE DIRECTORS' REMUNERATION REPORT**

The Chair proposed an ordinary resolution, requiring a simple majority, to approve the Directors' Remuneration Report for the year ended 31<sup>st</sup> December 2023. A summarised version of the report was included in the Member Update booklet, including Summary Financial Statement, sent to all qualifying members. Today's vote related to the Directors' Remuneration Report as it appeared in full in the Annual Report & Accounts 2023.

The Chair then asked all those who were entitled to vote to complete this item on their voting form and he also asked those who had joined on-line to also cast their votes. The Chair added the Board recommended members to vote 'For' this resolution.

#### **7. ELECTION AND RE-ELECTION OF DIRECTORS**

The Chair said the Society's Directors who were standing for re-election, is set out in Item 4 on the voting form. He proposed the following resolutions:-

1. To re-elect George Adam Bennett
2. To elect Rory Tristan Sebastian Campbell
3. To re-elect Bryce Paul Glover
4. To re-elect Andrew Scott Haigh
5. To re-elect Anne Laverack (Business name: Anne Shields)
6. To re-elect Stuart Miller
7. To re-elect James David Alexander Ramsbotham
8. To re-elect David Alan Samper
9. To re-elect Michael Roger Thompson

The Chair then asked all those who were entitled to vote to complete this item on their voting form and he also asked those who had joined on-line to also cast their votes. The Chair added the Board recommended that members vote 'For' each of the Directors seeking re-election.

The Chair advised the results for all the resolutions would include proxy votes that had already been received. After a short pause, when the votes were being cast, the Chair asked the Scrutineers to collect in the completed voting forms. The Chair also asked those who had joined on-line to ensure they had cast all their votes. The Chair then declared the polls closed.

## **8. CONSOLIDATED VOTE RESULTS**

The Chair advised the votes would shortly have been counted by our Scrutineers. The Chair, however, confirmed that based upon the postal and on-line proxy votes which we had received, where he had been appointed as proxy by members, all of the resolutions had been passed and the Directors had been re-elected. The final results from today's meeting would also be made available on the Society's website from Friday, 26<sup>th</sup> April 2024.

The Chair then declared the formal part of the meeting closed, save only for the declaration of the results of the voting. Finally, the Chair gave a thank you to colleagues, to the Executive team, and also to the members.

### **The results were as follows:-**

<u>Resolutions</u>	<u>Votes For</u>	<u>Votes Against</u>	<u>% in Favour</u>	<u>Votes Withheld</u>
1. To receive the Annual Report and Accounts	16,815	151	99%	115
2. To re-appoint Deloitte LLP as Auditors	16,297	600	96%	184
3. To approve the Directors' Remuneration Report	15,437	1,310	92%	333
<b>4. Election and Re-election of Directors:</b>				
(i) To re-elect George Adam Bennett	16,221	588	97%	272
(ii) To elect Rory Tristan Sebastian Campbell	16,119	689	96%	273
(iii) To re-elect Bryce Paul Glover	16,134	656	96%	291
(iv) To re-elect Andrew Scott Haigh	16,205	609	96%	267
(v) To re-elect Anne Laverack (Business name: Anne Shiels)	16,179	657	96%	243
(vi) To re-elect Stuart Miller	16,167	641	96%	270
(vii) To re-elect James David Alexander Ramsbotham	16,144	669	96%	267
(viii) To re-elect David Alan Samper	16,174	633	96%	274
(ix) To re-elect Michael Roger Thompson	16,141	660	96%	280

**These minutes were approved by the Society Board on 4<sup>th</sup> June 2024.**

### BUILDING SOCIETIES ACT 1986

Sections 65/68: Record of loans to Directors or connected persons and other transactions/arrangements (Section 65), and the maintaining of a register of transactions involving Directors and persons connected with them (Section 68)

In accordance with the above mentioned sections of the Building Societies Act 1986 a copy of the document, which was forwarded to the Prudential Regulation Authority and the Financial Conduct Authority on 4th April 2024, was made available for inspection by members