

COVENTRY BUILDING SOCIETY
MINUTES OF THE ONE HUNDRED AND FORTY FIRST
ANNUAL GENERAL MEETING

HELD AT
COVENTRY BUILDING SOCIETY ARENA
JUDDS LANE, LONGFORD. COVENTRY, CV6 6AQ

ON THURSDAY 24 APRIL 2025 AT 2PM

In attendance	David Thorburn	(Chair)
	Steve Hughes	(Group Chief Executive Officer ‘CEO’)
	Joanne Kenrick	(Deputy Chair, Senior Independent Director)
	Iraj Amiri	(Chair of the Board Audit Committee)
	Martin Stewart	(Chair of the Board Risk Committee)
	Iain Plunkett	(Chair of the Board Business Change Committee)
	Caroline Marsh	(Chair of the Board Remuneration Committee)
	Shamira Mohammed	(Independent Non-Executive Director)
	Brendan O'Connor	(Independent Non-Executive Director)
	Mark Parker	(Independent Non-Executive Director)
	Lee Raybould	(Group Chief Financial Officer ‘CFO’)
	Nic Heffernan	(Group Strategy Director)
	Rachel Macfarlane	(Group General Counsel)
	Patrick Moynihan	(Group Chief Risk Officer)
	Gurdeep Boparai	(Society Secretary)
Members	101 eligible members of the Society attended in person	
	603 eligible members of the Society attended online	
Attendees	Executives and staff representatives of the Society	

1 CHAIR’S INTRODUCTION

- 1.1. The Chair welcomed everyone to the meeting. He outlined that this was a hybrid annual general meeting, which meant that there was a combination of members attending in person and online via the livestream.
- 1.2. The Chair introduced the Board of Directors, as well as other colleagues who would be available to answer members’ questions during the meeting.
- 1.3. The Chair explained that both online and in person attendees would be able to vote during the meeting and that the voting procedure would be explained prior to the vote.
- 1.4. There was produced to the meeting a Notice convening the meeting and, with the consent of all members present, the Notice was taken as read.
- 1.5. The Chair outlined the agenda for the meeting.
- 1.6. The Chair provided an explanation to those online on how to navigate the online system, submit questions and access the meeting documentation.

- 1.7. The Chair noted that 2024 had marked the Society's 140th anniversary, a very long time for any organisation to remain relevant and successful. To stay relevant to each generation of members, the Society had to adapt to new challenges and opportunities, whilst protecting the values that matter as a mutual organisation.
- 1.8. In its 140th year, the Society laid the foundations for future relevance and success with the acquisition of The Co-operative Bank. This provided the opportunity to create scale and efficiency, new services, new sources of funding, a larger branch network and the ability to invest in digital channels. Whilst acknowledging that it would take many years to complete this work, the Chair also advised that members would see improvements throughout this period of change.
- 1.9. The Chair explained that the acquisition was for the benefit of the long term future of the Society, securing for generations of members to come the value, service and security that were the foundations of the Society's success. As long as the Society continued to make its decisions in the interests of members, the Chair believed the future would be as long and successful as the anniversary just celebrated.

2 CHIEF EXECUTIVE'S PRESENTATION

- 2.1 The CEO welcomed members to the meeting and echoed the Chair in saying that it was an important year for the Society. Acknowledging that the world was changing faster than ever, with some of the foundation stones shifting dramatically in just the last few months, challenges on a global scale were already affecting the UK and likely to impact upon economic growth, interest rates, and inflation. Both private businesses and public services alike would face new challenges. The CEO suggested the Society could make a difference by providing stability, security, excellent value and outstanding service.
- 2.2 Having joined the Society during the COVID pandemic, the CEO said that a lot had happened in the past five years but the Society had remained a place that members could rely on and balanced decisions had been taken to support savers and borrowers. £10bn had been added to the Society's balance sheet in that time and £1.4bn had been added to capital resources, which provided the source of financial strength and reassurance to all members.
- 2.3 The CEO explained how the Society had delivered on member priorities throughout 2024, outlining:
 - (i) 2024 had been one of the best years in the Society's history, with balances growing by £1.7bn and a record £401m member premium paid, an increase of £59m from 2023.
 - (ii) The average saving rate at the Society was 4.2%, compared to 4.1% in the rest of the market and 2.9% from the big 6 high street providers.
 - (iii) Over £1bn of additional interest had been paid in the last 5 years and showed that the Society offered better value to members in the long term.
 - (iv) The Society were not in favour of Government proposals to reduce the allowances for cash ISAs and had shared their views with the Chancellor of the Exchequer, the Treasury, MPs and the media.
 - (v) A record number of first time buyers had been helped on to the property ladder in 2024. This included an initiative in Coventry to provide first time buyers with £1k cashback if buying in a Coventry post code area.
 - (vi) Rates were prioritised for existing customers coming to the end of their fixed term mortgages, either matching or improving on rates for new customers, and led to a retention of 80% of those borrowers.
 - (vii) Investment in digital channels had resulted in the launch of a mobile app that 140,000 members had signed up to use and it was now possible to roll or switch fixed rates online when they came to an end.
 - (viii) The digital platform for mortgages had reduced the average time to make a mortgage offer to 9 days, down from 12 days 18 months ago and 15 days in 2022.

- (ix) Human service was important too and in the past year branches and contact centres had helped members 3.5 million times, answering calls within 58 seconds on average.
- (x) In an independent survey of 30,000 customers, the Society's performance in 10 of 12 customer service ratings were above average and the Society was placed first for visiting a branch, opening or closing a savings account and registering a bereavement. The Society was placed third for online banking and second for savings maturities.
- (xi) The Net Promoter Score was an important measure of delivery too, with a +30 rating good for financial services. The overall score of the business was +79, branches had peaked at +92 and brokers were +96.
- (xii) £100m had been invested on people, systems and processes in order to maintain and improve the great service on offer and ensure the Society remained relevant, sustainable and efficient.
- (xiii) To ensure systems remained resilient and efficient, there had been 6,000 upgrades, 2,000 of which were major changes, in 2024.

2.4 The CEO said it was possible to invest at this level because the Society was financially strong. By being well capitalized, the Society and its members were protected through economic shocks, recession and political change, as well as the day-to-day challenges of a competitive market.

2.5 It was also important to be profitable because profits were the Society's primary source of capital. Profit had fallen as interest rates fell but also because of pressures in the market. However, the CEO explained it had still been a very strong year and also the Society's membership model meant there were no shareholders insisting on profits being maximised. This allowed, for example, the record Member Premium of £401m. There was also a balance in what the Society did and profit was still the third highest in its history whilst capital reserves had been added to and put the business in the best possible shape to acquire The Co-operative Bank.

2.6 The CEO also added that, had the Society not bought The Co-operative Bank, costs would only have increased by 4% in contrast to inflation peaking at 11%. The purchase of the Bank had included costs of £25m to ensure it was the right decision but the CEO explained that he would rather make this investment to get it right rather than risk the £780m purchase price getting it wrong.

2.7 The CEO stated that the combination of the Society and the Bank would create a stronger Group. The Co-operative Bank had a product range including current accounts, a business banking proposition, savings and mortgage balances and a branch network that would be able to create better value and service to more customers and members in the future. Combining the two businesses had started well and the CEO said he had seen the same care and ambition to do a good job at both entities.

2.8 However, the CEO also added that the Bank needed investment and it would not be possible to fix everything at once. The first focus would be on customer service, training Society colleagues to support Bank contact centres and also committing to refurbishing Bank branches over the next 18 months as well as increasing their opening hours. There would also be investment in digital channels across the Group. The CEO also said that there would be no change to existing products or to the service experienced at the Society.

2.9 The CEO also committed, in a world turning away from sustainability and DEI, that the Society and the Bank would retain their values to have sustainability at their core and that there would be no reining in of DEI initiatives in either business. The Society had invested £4.5m in supporting national charities and communities and would do more, not less, to build a more sustainable society. The CEO highlighted the Society's partnership with Centrepoin and significant investments made in Coventry and Manchester to develop independent living accommodation.

- 2.10 The CEO concluded by thanking colleagues for their efforts and the members for their loyalty, engagement, support and entrusting the Society with their savings and mortgages.

3 REMUNERATION

- 3.1 The Deputy Chair noted that there had been a number of questions received in advance from members about remuneration and provided an explanation of the Society's current approach. The Deputy Chair advised that remuneration needed to reward the right behaviours, be structured in the right way and set at an appropriate rate. To do this, balance was important and senior leadership at the Society was assessed against a balanced scorecard. Success required performance in all areas and not by exceeding in only some of the measures.
- 3.2 The Deputy Chair also highlighted the importance of regulation, competition and growth in making the right judgment as to how to structure remuneration. Regulatory requirements ensured bonuses were paid over a number of years and that the amount could be reduced or clawed back if, for example, it was later found that actions taken by a senior leader were later to be judged to be inappropriate or if performance declined in the long term as a consequence of decisions taken. Competition, whilst not the only consideration, was important too, as it was important for the Society to be able to value people for the work they did and without being able to offer competitive remuneration the Society would have a smaller pool of people from whom senior appointments could be made.
- 3.3 The Deputy Chair also demonstrated that the growth of the Society and the complexity that came with that had been much faster than the growth of executive pay.
- 3.4 The Deputy Chair added that the views and comments from members would be taken into account as judgements were drawn about appropriate remuneration.

4 QUESTIONS FROM MEMBERS

- 4.1 The Chair explained that this year the meeting would have a host, Ms Heffernan, who would be taking questions from those in the room, taking part online and also those received in advance. Ms Heffernan explained that questions received in advance would be taken first before opening for questions received in the room or online.
- 4.2 The first question asked was whether the Society would contemplate issuing a member dividend, as Nationwide had chosen to do. The CEO explained that whilst Nationwide made a decision that was right for their organisation, the Society felt it was a stronger approach to pay an interest rate that was better than the market, paying a premium to all savers rather than a dividend to some.
- 4.3 The following question asked about the Society's commitment to the branch network. The CEO explained that the Society had invested heavily in its branch network and saw this as an important commitment. Whilst some branches were quieter than others, employees remained utilised with branches now taking 25% of inbound calls from members. Mr Jones echoed the commitment to the branch network and added that the Bank's branches needed to be brought up to standard. Whilst there was a small amount of crossover where branches from both the Society and Bank were in close proximity that would need to be addressed, it would be important to consider how the network could serve customers from both businesses going forwards.
- 4.4 Another popular question received in advance had been in regard of debit cards. The CEO explained that a decision had been made many years ago to not issue debit cards because the Society lacked scale when combined with a significant increase in regulation that had made the service complex to

provide. However, the acquisition of the Bank now brought a personal current account offering within the Group and there was intent over time to consider services that could be shared across both businesses. Mr Landon added that the product had not been popular with members with only a few thousand issued but it had nonetheless been a difficult decision to cancel the service. However, the acquisition of the Bank would provide capability as a combined group. The CEO noted however that there needed to be investment in the service at the Bank before consideration of whether to offer the product to members of the Society.

- 4.5 Cash ISAs were also raised and the CEO, whilst respecting the desire of the UK Government to see more investment in the UK economy, suggested that this would not be solved by reducing the allowances for cash ISAs. The CFO added that there had been conversations with the Government and the Treasury. The cash ISA market was large, 18m people held one and it was a cornerstone of the Society's capital and therefore something the Society felt strongly about. The rumours about reducing the allowances had created uncertainty and concern. The CFO advised that he had attended three separate meetings with the PRA, the Treasury and the Economic Secretary to the Treasury and suggested that they were listening but some change might still be expected. The CFO said the ISA market was well understood, encouraged a positive saving habit and changes could have unintended consequences. Whilst investing in equities may be better for some people at some stages in their life, this ought to be encouraged by removing barriers to equities rather than restricting cash ISAs.
- 4.6 A member asked whether a regular saver product offered by The Co-operative Bank paying 7% interest and also the double dividend received on his Bank issued credit card would continue. The CEO explained that there were still two separate organisations and pricing of products would be set accordingly, although most deposit taking institutions would be reducing variable interest rates in a falling interest rate environment. Also, the Co-operative Bank had now returned to mutual ownership and there may be opportunities to do business with other Co-Operatives. However, it was also noted that this was a matter to raise with the Bank rather than the Society.
- 4.7 A member asked how links with the co-operative movement would be strengthened and the Chair explained this was very important, also noting that the name could only be used with the Co-Operative movement's permission. At this stage, all of the focus was on integration to improve customer service and operations, but the Chair added that a fuller answer would be possible at the AGM in 2026. The CEO added that there was a lot of synergies between mutuality and the Co-Operative movement.
- 4.8 The final question concerned how the society could handle AI efficiency whilst remaining human. The CEO explained that whilst he was fascinated by the potential of AI, if it could not provide human levels of service there was a problem. It could prove useful, for example, in re-writing old code to new code but when, for example, the Society launched live web chat whilst it might perform authentication using automation, it remained important that members could speak to humans.

5 RESOLUTIONS

- 5.1 The Chair confirmed that voting was open and that members who had already voted could change their votes if they wished to do so. The Chair explained to those online how to vote and that if they were having difficulties how to find information to help them. The Chair then directed those in the room to the paper voting forms provided to record or change their votes if they had already voted.
- 5.2 The Chair proposed and the meeting received the Auditors' Report which was on pages 116 to 125 of the Annual Report & Accounts 2024.

5.3 The Chair outlined that all eligible members unable to join the meeting were asked to make use of the proxy voting forms. The Chair called for a poll on each of the resolutions so that proxy votes could be included in the votes when they were counted.

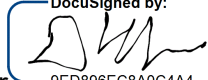
5.4 The Chair ran through each of the resolutions in order, as detailed below:

Item number	For	Against	Withheld	% in favour
Ordinary Resolutions				
1. To receive the Directors' Report, Annual Accounts and Annual Business Statement for the year ended 31 December 2024.	69,845	643	531	99.1%
2. To approve the Remuneration Policy. The vote is advisory and Directors' remuneration is not conditional on it.	64,100	5,306	1,600	92.4%
3. To approve the Directors' Remuneration Report for the year ended 31 December 2024. The vote is advisory and Director's remuneration is not conditional on it.	64,369	5,059	1,577	92.7%
4. To reappoint PricewaterhouseCoopers UK (PwC) as Auditors of the Society to hold office until the end of the next Annual General Meeting.	67,744	2,371	891	96.6%
Election and re-election of directors				
5. To elect Iain Plunkett as a director	67,839	1,977	1,183	97.2%
6. To re-elect Iraj Amiri as a director	67,026	2,746	1,224	96.1%
7. To re-elect Stephen James Hughes as a director.	67,835	2,068	1,091	97.0%
8. To re-elect Joanne Louise Kenrick as a director.	67,718	2,268	1,000	96.8%
9. To re-elect Shamira Mohammed as a director.	67,148	2,679	1,154	96.2%
10. To re-elect Brendan O'Connor as a director.	67,806	2,029	1,146	97.1%
11. To re-elect Lee Raybould as a director.	67,948	1,910	1,124	97.3%
12. To re-elect Martin Alistair Stewart as a director.	67,832	1,994	1,158	97.1%
13. To re-elect David Thorburn as a director.	67,905	1,968	1,109	97.2%
70,488 members voted (5.6% of eligible members). Whilst provisional results were shared during the meeting, the vote was independently scrutinised by Civica Election services.				

The Chair confirmed that all resolutions had been passed subject to final verification and that all directors listed had been re-elected.

6 CLOSE OF MEETING

The Chair thanked Members for attending and their ongoing support and declared the meeting closed.

DocuSigned by:

 Chair.....9ED896EC8A0C4A4.....

Date ...16/9/2025 | 14:10 BST...