



**WEST BROMWICH BUILDING SOCIETY
163RD ANNUAL GENERAL MEETING
31ST JULY 2012 – 2.00 PM
HELD AT WEST BROMWICH ALBION FOOTBALL CLUB**

Present	:	Mr M Nicholls	-	Chairman
		Mr J Westhoff	-	Chief Executive
		Mr J Ainley	-	Non-Executive Director
		Mr M Gibbard	-	Group Finance Director
		Mrs C Hafner	-	Non-Executive Director
		Mr A Jones	-	Group Risk Director
		Mr M Ritchley	-	Non-Executive Director
		Mr R Sommers	-	Non-Executive Director
		Mr M Preston	-	Non-Executive Director
		Mr C Walklin	-	Non-Executive Director

Members, guests and Society staff

1) OPENING THE MEETING

The Chairman opened the meeting by welcoming members to the 163rd Annual General Meeting of the Society.

The Chairman reported the recent sad passing of Dr Brian Woods-Scawen, former Board Member and Society Chairman.

The Chairman confirmed that there were sufficient members present to form a quorum.

It was agreed that the Notice of Meeting be taken as read.

2) CHAIRMAN'S ADDRESS

The key points raised by the Chairman in the course of his address included the following:-

- The election of directors, highlighting the Board's decision that half of the Board should stand for election each year; and
- Executive and Board remuneration, noting the requirement to attract and retain individuals with the right skills and abilities, to structure remuneration packages so as to discourage risk taking outside the Society's risk appetite and to base performance-related pay on challenging measures which could be evaluated robustly.

3) CHIEF EXECUTIVE'S PRESENTATION

The Chief Executive's presentation included reference to the following matters:-

- The challenging and unpredictable economic environment in which the Society operated;
- Whilst the Society remained in a loss-making position, those losses had again reduced;
- The impact of low interest rates on the Society's ability to return to profit;
- The Society's ongoing, and increasing, contribution to the Financial Services Compensation Scheme;
- An increase in the Society's Core Tier 1 ratio;
- Extensive coverage of the Society's savings products in Best Buy tables;
- Refreshed mortgage and insurance offerings;
- The value and breadth of feedback from Members;
- A sharp fall in the number of complaints reported over the last few years and the very low percentage of occasions where the Ombudsman reached a different conclusion to the Society;
- The variety of approaches to gaining member feedback and the initiatives implemented as a result of such feedback;
- The behaviour of Claims Management Companies and the Society's stance on seeking better regulation;
- Acknowledgement of the vital contribution in the Society's progress made by its talented and committed people;
- West Brom's support for the community, most notably through Acorns, the Society's nominated charity, the Mercian Trust and the recently launched Community Counts Scheme;
- Investment in a new mortgage processing system;
- The success of the branch modernisation programme, which was nearing completion;
- An update on the planned new Head Office; and
- The Society's outlook for the future, emphasising the impact of low interest rates on profitability.

4) CHIEF EXECUTIVE'S QUESTION SESSION

Mr Westhoff invited questions on his presentation and members raised the following key matters:-

- The remuneration of Directors;
- The impact of low interest rates on margins;
- Tracker mortgages with no interest rate floor;
- The proposed new Head Office;
- Potential for mergers and/or sharing facilities with other societies;

- The business activities from which the Society was seeking to disengage;
- Attraction of new savers and retention of existing savers;
- Exposure to Payment Protection Insurance mis-selling claims;
- Which of the Society's branches remained to be refurbished;
- The sale of insurance products to branch customers;
- Notification of rate changes and new product launches;
- Whether eighty years' membership was a record;
- Rates paid on business deposit accounts;
- The use of 'new money only' savings products;
- Facilities for customers with limited access to, and understanding of, the internet; and
- Branches in West Bromwich.

5) CHAIRMAN'S QUESTION SESSION

Mr Nicholls invited questions from members and the following key matters were raised:-

- Member nominated Directors and the potential benefits of having customers or staff on the Board;
- The remuneration of Directors;
- Re-statement of figures in the Directors' Remuneration Report;
- Remuneration of the former Chief Executive from other non-executive roles;
- The increase in balances deposited with the Bank of England;
- Whether there was a 'Plan B';
- The increase in administrative expenses;
- The behaviour of Claims Management Companies;
- The requirement for Directors to hold £1,000 with the Society;
- The accuracy of last year's AGM minutes;
- The proposed new Head Office;
- Use of PPDS or PIBS as components of remuneration; and
- Any ongoing strategic review undertaken by the Board.

6) RESOLUTIONS AND VOTING PROCEDURES

The Chairman explained that in order for the many tens of thousands of members who had taken the trouble to submit proxies in the post and by internet to be included in the vote, he would be calling a poll on each of the first three agenda items – the Report & Accounts, re-appointment of Auditors and the Directors' Remuneration Report.

He advised members that it was a requirement of the Building Societies Act that voting on the election of Directors was by poll.

Electoral Reform Services had been appointed to act as scrutineers in respect of the proxy voting forms submitted by post and internet, whereas for the

purposes of the meeting, Mr John McErlean (Head of Internal Audit) had been appointed as scrutineer.

7) PUTTING THE RESOLUTIONS TO THE MEETING

The Chairman put each of the Resolutions to the meeting inviting any further questions as each Resolution was read out. In each case there were no further questions.

8) VOTING ON THE RESOLUTIONS

The Chairman invited members to cast their votes by completing the voting forms handed to them at registration, signing them and placing them in the ballot boxes provided.

9) ANNOUNCEMENT OF PRELIMINARY VOTING RESULTS

The Chairman advised members that the number of members who had submitted proxy voting forms by post and internet far exceeded the number of votes cast in the meeting. Therefore, rather than asking members to wait for the final figures to be announced, he proposed advising them of the outcome of the proxy votes submitted by the post and internet and then closing the meeting.

The Chairman added that the final results, including the votes cast at the meeting, would be posted on the Society's website on the day after the meeting. Members who wanted to receive the final results by post were invited to leave their details at the Service Desk.

The Chairman announced that the results of the proxy voting forms sent in by post and internet were as follows:-

RESOLUTION	% VOTING FOR
To receive the Report & Accounts	98.26%
To reappoint KPMG as Auditors	96.13%
To approve the Directors' Remuneration Report	84.43%
To elect John David Ainley	93.65%
To elect Claire Andree Hafner	94.35%
To elect Mark Jeffrey Preston	94.49%
To elect Colin Richard Walklin	94.91%
To elect Jonathan Westhoff	93.93%

As each of the Resolutions had achieved the necessary votes in favour, the Chairman declared that each of the Resolutions would be passed.

10) CONCLUSION

The Chairman concluded by thanking the members of staff who had assisted at the meeting and expressed his gratitude to the members who had attended the meeting. He then declared the meeting closed.

Mark Nicholls
Chairman
West Bromwich Building Society