



Minutes of the Annual General Meeting

Wednesday 18th August 2021, 5.30pm

Zoom Conference Call

Members present (on zoom)

There were 33 members of South West Mutual (“the Society” or “SWM”) present including the following directors:

- Mark Drewell (MD)
- Jane Dumeresque
- Robin Foale
- Tony Greenham (TG)
- Paul Manning

The meeting was chaired by Mark Drewell.

1. Welcome, procedures and quorum

MD welcomed everyone to the third annual general meeting (“AGM”) of the Society.

He confirmed that the meeting was being held in accordance with the rules of the Society as amended by schedule 14 of the Corporate Insolvency and Governance Act 2020 and that accordingly voting had taken place in advance of the meeting, either by proxy or by using the online voting system. Prior to the start of the meeting 31 votes had been received.

MD noted that as per Rule 13.5.2 of the Society, a quorum for a general meeting of members is the lesser of 5% or 50 members. There are 110 members of the Society meaning that 6 members are required to exceed 5% of the membership. As a result MD declared that the AGM was quorate.

2. Presentation of Directors’ Annual Report and Statement of Accounts

TG presented the Directors’ Annual Report and Statement of Accounts.

He highlighted and expanded on comments made in Directors’ Report for the year ending March 2021 about the ongoing effect of the Covid 19 pandemic and its impact on our endeavour to establish a bank, from both an operational point of view and in terms of fundraising. The following points were raised:

- activity on forming the bank and obtaining regulatory permissions had been on pause since June, with the team now on part-time furlough
- work will restart in October subject to sufficient funding, and the board being satisfied with the actions taken to deal with i) the inflexibility and limitations of the Co-Operative and Community Benefit Act 2014 and ii) the expert legal advice received in relation to competition law on our intended operational model.

- Due to these uncertainties, the timetable to achieve a submission to the regulatory authorities had been extended. Our latest information on the time being taken to review licence applications had led to assume the maximum 12 months for licence application and a further 12 months provisional licence period before trading can commence fully and customers would be able to sign up for SWM products. On a best-case scenario this would mean mid-2024 before the first product openings.

Overall, TG reported that the cost, time and complexity of launching a new bank had all increased since the start of the project. During this time some banks have started to innovate in some of the areas of competitive advantages envisaged by the project team, for example in shared branch banking and an increasing focus on climate change. However, we still see a clear market opportunity and customer appetite for the regional mutual banking proposition.

3. Ordinary Resolutions

MD reminded the members that according to our Rules, one third of the Board shall retire each year. However, the Board voluntarily complies with best practice as set out in the UK Corporate Governance Code and therefore all serving Directors were submitting themselves for annual re-election with the following exceptions:

- Roger Cawse resigned his position in November 2020 due to ill health
- David Thomas has opted not to seek re-election for health reasons.

MD then went through each of the resolutions and confirmed the votes already cast electronically and by proxy. He went on to declare whether or not the resolution was carried. Under the Society's rules, resolutions (a) to (g) required a simple majority of votes cast. The resolutions are detailed below:

- To receive the Directors' Annual Report for y/e 31 March 2021
- To receive the Audited Statement of Accounts for y/e 31 March 2021
- To re-elect Jane Dumeresque
- To re-elect Mark Drewell
- To re-elect Tony Greenham
- To re-elect Paul Manning
- To elect Robin Foale

All resolutions were carried unanimously with 31 votes

4. Questions from the floor

MD then invited questions from the members, and the following points were discussed:

Members support for promoting the bank

- Several members expressed willingness and ideas for helping to promote the bank, including members from Somerset, Dorset and Cornwall proposing to discuss with councillors and other public bodies in their respective counties
- TG requested introductions to potential investors (meeting the definition of high-net-worth individuals), relevant politicians and other stakeholders.

Progress in other regions

- TG reported that North West Mutual had significant funding pledged by Preston Council, Wirral Council and Liverpool City Council but this had not yet progressed to an investment proposal or due diligence.
- He added that local authority funding seems less likely in the South West region than some other due to a combination of lack of investment capacity or lack of political interest.

Central government support

- TG reported engagement with senior Government figures (e.g. John Glen, Economic Secretary to the Treasury), the All Party Parliamentary Group on Fair Business Banking, and local MPs.
- Whilst they were all supportive of the proposition it was unlikely that funding would be secured from HM Treasury to fund start-up costs or capitalise the bank.

Access to cash

- The 'Access to cash' review and incumbent bank's trial of shared banking hubs was discussed.
- TG welcomed the initiative, saying it validated SWM's thinking. If more customers are able to access branch and cash services overall this is good for the community.
- He also suggested that SWM would always seek to outperform large banks in allowing members to access their banking needs, and we are in discussions with the Post Office and others to ensure broad access to withdrawing and depositing cash at convenient locations.

Timetable and next steps

- TG reiterated that due to the increased time that regulators are taking over new licences, the impact of the pandemic, and the rethink around the bank's business model and legal structure, meant it was difficult to accurately predict a launch date.
- The Directors aim to update members on proposals to overcome obstacles related to legal structure and competition law before the end of the year.

5. Close of meeting

Prior to the close of the meeting, MD took the opportunity to publicly give thanks, on behalf of all the directors and members, to the retiring chair David Thomas, for his tireless and valuable work over the past two years and wishing him well in his retirement.

MD also invited Robin Foale, the newly elected director and acting chair, to introduce himself to the gathered members.

Finally, MD thanked members for attending and declared the meeting closed at 6.33pm.