



Minutes of the Annual General Meeting

Monday 10th October 2022, 5.30pm

Zoom Conference Call

Members present (on zoom)

There were 17 members of South West Mutual (“the Society” or “SWM”) present including the following directors and officers:

- Robin Foale (RF) - Chair
- Tony Greenham (TG) – Executive Director
- Mark Drewell – Non-executive Director
- Jane Dumeresque – Non-executive Director
- Paul Manning – Non-executive Director
- John Arthur (JA) - Society Secretary

1. Welcome, procedures and quorum

RF welcomed everyone to the annual general meeting.

With 17 members present, RF declared that the AGM was quorate.¹

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 2022.

The following points were raised:

- The economic and investment context remains challenging
- Management took action to reduce expenditure and headcount during the year to preserve funds
- Progress has been made on innovation in mutual banking legal structures and regulatory approval is now needed. This will be pursued by the Mutual Banks Association
- The Boards’ strategic review concluded that a phased approach to launching the bank, commencing with a wholesale funded lending facility for food and farming business applying agroecology principles and practices, was the best option
- This approach reduces regulatory risk, but it remains a challenge to secure £20 million of appropriate debt and equity funding
- The aim remains to introduce the full range of community banking services over time

¹ Rule 13.5.2 of the Society states that a quorum for a general meeting of members is the lesser of 5% or 50 members. There are 111 members of the Society meaning that 6 members are required to exceed 5% of the membership.

3. Ordinary Resolutions

RF declared the results of votes cast electronically and by proxy as follows:

- 1) To receive the Directors' Annual Report for y/e 31 March 2022
- 2) To receive the Audited Statement of Accounts for y/e 31 March 2022
- 3) To re-elect Tony Greenham
- 4) To re-elect Jane Dumeresque
- 5) To re-elect Mark Drewell
- 6) To re-elect Paul Manning
- 7) To re-elect Robin Foale

All resolutions were carried unanimously with 20 votes

4. Questions from the floor

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

The following points were raised and discussed:

- Congratulations were offered to the Board for showing agility, dedication and innovation in adapting to circumstances in order to ensure that Society is still pursuing its objectives.
- 'Mutual Obligation Clearing' was suggested as a potential product and TG undertook to follow up with Jay Tompt of Schumacher College to investigate this further.
- Sources of investment: TG outlined 4 sources of funding for the £20m agroecology loan facility:
 - Mainstream banks. The initial fund will be a Community Development Finance Institution (CDFI) which serves customers that are unable to access loans from mainstream finance. There are several banks that lend to CDFIs and we are in discussions with more than one.
 - Social impact investors. As our lending will finance positive social and environmental outcomes, there are several social impact investors we are approaching.
 - Qualifying individuals. As is currently the case, individual investors who meet certain conditions are able to invest in the Society.
 - Mission-aligned institutions such as companies with an interest in agroecology and public bodies including councils.
- Concern was expressed about whether the Society still intends to open branches. TG clarified that the initial phase of business lending for agroecology will not require branches as loan managers will go out to visit customers. Over the long term the aim remains to introduce personal savings, loans and current accounts, and our distribution strategy is to maximise access to cash paying in and withdrawal facilities through post offices and paypoint locations, and to have face-to-face customer services available in community settings. However, the exact distribution strategy will be reviewed light of developments in banking prior to launch.
- It was suggested that this explanation should be included in presentations going forward. TG pointed out that the obstacles that had been encountered in implementing the original model, and the new strategy, had been discussed extensively in member communications and that the risks were set out clearly in investor documentation. He also reiterated that the ultimate goals remain unchanged and so the key change is in the timescale of implementation of the full community banking model.

- TG explained that the Board had not faced a choice between implementing the original model or starting with agroecology lending. Instead, they had actually faced a choice between adapting the strategy, starting with agroecology lending, or not proceeding at all.
- RF added that the Board had worked hard to ensure the survival of the Society and is firmly committed to bringing the first regional mutual bank that is purpose-led to the south west.

5. **Close of meeting**

RF expressed his thanks to members for their ongoing support, and for questions today and that it was a pleasure to have the opportunity to engage.

He thanked partners including Esmée Fairbairn Foundation and the Food, Farming and Countryside Commission for supporting the research and development phase of the agroecology loan facility.

He thanked the Board for their support and giving their time and expertise voluntarily and unpaid.

Finally, he thanked the Secretary John Arthur for his tireless service, TG for his unwavering commitment, professionalism and dedication, and the other team members for their contributions.

He declared the meeting closed at 6.07 pm.