

**1 Apologies for absence:**

A Rutherford                      H Ashley-Taylor                      L Streatfield                      A Taylor  
S Imam

**Those present were:**

S J Round (SJR)                      A Vipond (AV)                      P C Ellis (PCE)                      A Gold (AG)  
T Morgan (TM)                      C Newman (CN)                      L Power (LP)                      V Smith (VS)  
P Waring (PW)  
K Knowles (KK) recording minutes.

**Owner(s)****2 38th Annual General Meeting of Ecology Building Society**

The meeting was held at the Society's office in Silsden.

The Society Chairman, Mr Round (SJR), was in the Chair.

**3 Chairman's opening remarks**

SJR introduced himself and welcomed members and guests to the Society's 38th Annual General Meeting.

SJR highlighted that some filming would be taking place during the course of the day and he invited members to take part in the 'vox pops' recordings. Sound recording is also taking place and he asked members to use the microphones provided, particularly for the Q&A session.

A number of tours will be taking place throughout the day. These will be around the garden and the building and SJR encouraged members to participate in these.

The board of Ecology directors value members' views and SJR invited members to approach directors during the course of the day if they had any questions. SJR went on to explain that there would be an opportunity to ask questions during the 'Ask the Directors' session following the formal business section of the meeting.

Minutes of the 2018 AGM are available for scrutiny and SJR directed members to copies of these. Once approved at the Society's 31 May 2019 Board meeting, the Minutes of the 2018 AGM will be published on the Society's website.

- 3.1 The Society has had a good year, particularly on lending which included loans to 255 sustainable properties and projects. It has also been a record year for profit, which enables the Society to build on its capital. The Society endeavours to build a very successful building society for its members, whilst also working towards the vision of Ecology's founder members, which is to build a greener society. In the year to come, the Society will strive to grow sustainable lending, support the community led housing sector, enhance digital and on-line capability which is key, continue to provide great customer service and agitate for policy change to support low carbon finance solutions.

- 3.2 The Ecology Board noted and supported the recent action by Extinction Rebellion which drew attention to the climate emergency. This topic will be covered in the 'Ask the Directors' session.
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#### **4 Director Introductions**

All members of the Board were in attendance together with 128 members.

Each Director introduced themselves and gave a brief overview of their background and experience.

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#### **5 Resolutions**

Resolution 1 - To receive the Society's Annual Report and Accounts

Non-executive director and Chair of the Society's Risk, Audit, Compliance and Ethics (RACE) Committee, Tim Morgan (TM ) and Finance Director and Deputy Chief Executive, Pam Waring, (PW) presented the Society's 2018 Annual Report and Accounts with a PowerPoint presentation.

The presentation showed five year comparatives and included:

- Interest earned and paid
- Administration cost and Management Expense
- Mortgage Assets and Savings
- Reserves and Profit

- 5.1 Resolution 2 - To re-appoint KPMG LLP as Auditors.

TM: Explained that his responsibility and the responsibility of the Society's Audit Committee of which he is Chair, is to lead on appointing the Society's auditor.

Because of rules in place for compulsory resignation of auditors, the term of office of the Society's current auditor, KPMG, will end after they have completed the Society's 2020 audit. TM informed members that the process of review of audit firms has already commenced and if a replacement is found, the new firm will be appointed in 2019.

TM: Highlighted that there are very few audit firms who can audit financial institutions, and only those permitted by the sector's Regulators.

- 5.1.1 TM responded to questions from Members regarding the following:

- What is the difference between 'Internal' and 'External' Audit
- Where does the Society's Capital reside
- How does the Society manage savings inflow
- As a member of the Global Banking Alliance on Values, can the Society start a project to create an ethical global accounting firm
- If members vote today to appoint KPMG as auditors, can the Directors appoint another firm part way through the year.

TM and PW provided responses to members' questions and noted that these will also be published on the Society's website.

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5.2 Members were asked to vote on Resolution 1 - to receive the Annual Report and Accounts.

5.3 Members were asked to vote on Resolution 2 - to re-appoint KPMG LLP as auditors.

5.4 Resolution 3 - To approve the Directors' Remuneration Report

Chair of the Remuneration Committee, Andrew Gold (AG) presented the report for the year ended 31 December 2018.

5.4.1 AG explained some changes that had been made to the Remuneration Policy in order to remain updated with regulatory requirements in this area.

AG Highlighted that there had been no change to the limit of highest to lowest paid which means that there is a maximum limit that the Chief Executive can earn compared to the lowest paid member of staff.

Remuneration is underpinned by the Society's commitment to Fair Pay.

The Society are mindful of matters such as 'Gender Pay Gap' which is measured and tracked.

The Society has retained its commitment to being an accredited Living Wage employer.

AG: Highlighted that all aspects of the Remuneration Policy are summarised in the Annual Review booklet issued to all members.

AG invited questions on the Remuneration Policy before asking members to vote.

5.4.2 Questions from Members regarding the Remuneration report were as follows:

- Is this year's pay ratio increase just a variation or is it intentional
- What does the Society do with the information it gathers and tracks such as Gender Pay Gap
- Do the Gender Pay Gap considerations apply to non-executive directors as well
- What is the lowest paid role in the Society
- Why are other Directors in the same sector, remunerated at a much higher level than Ecology.

AG, SJR and DD provided responses to Members' questions and noted that these will also be published on the Society's website.

5.4.3 Members were asked to vote on Resolution 3 - to approve the Remuneration Report.

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## **6 Director Elections**

Prior to voting, and to aid a better understanding, PCE explained how the Society's Director elections work.

- 6.1 PCE: Explained that under Rule 12.4, the Board has a duty to assemble a group of directors who are Fit and Proper and have the right skills in order to run the Society.

Outside of the AGM, it is possible for any member of the Society to put themselves forward for election. The Board is then required to assess whether that individual is Fit and Proper, and in the final analysis, satisfy the Regulators that this is the case.

PCE: Invited any members interested in understanding more about the electoral process to contact Pam Waring, the Secretary of the Society.

- 6.1.1 Members were asked to vote on Resolution 4.1 - to re-elect Paul Charles Ellis.
- 6.1.2 Members were asked to vote on Resolution 4.2 - to re-elect Pamela Waring.
- 6.1.3 SJR asked the Tellers from the Electoral Reform Society to collect the voting papers.

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## 7 **Announcement of the results of the voting**

The Chair invited a scrutineer from the Electoral Reform Society to announce the results of the voting.

- 7.1 Resolution 1 - to receive the Annual Report and Accounts for the year ended 31 December 2018  
For 1551; Against 9; Abstain 23; Spoilt 0
- 7.2 Resolution 2 - To re-appoint KPMG LLP as auditors  
For 1310; Against 188; Abstain 85, Spoilt 0
- 7.3 Resolution 3 - To approve the Directors' Remuneration Report for the year ended 31 December 2018.  
For: 1436; Against 84; Abstain 63; Spoilt 0
- 7.4 Resolution 4.1 - to re-elect Paul Charles Ellis  
For 1504; Against 44; Abstain 35; Spoilt 0
- 7.5 Resolution 4.2 - to re-elect Pamela Waring  
For 1505; Against 42; Abstain 35; Spoilt 1
- 7.6 The Scrutineer announced that the Ecology's turnout was one of the highest seen across the building society sector which is a real indicator of how engaged members are.
- 7.6 Members were informed that the results will be made available on the Society's Website.

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## 8 **Ask the Directors**

SJR invited Vice-Chair, Alison Vipond (AV) to facilitate the 'Ask the Directors' session.

All eligible members present were invited to raise any questions.

A number of member questions were put to Directors and these will be published on the Society's website.

**9      Any other business**

No other formal business was raised. However, SJR thanked Louise Power for her valued contribution to Ecology and wished her well for the future as she retired from her position on the Ecology Board.

SJR thanked members for their attendance and looked forward to meeting with them over the lunch break.

**Signed as a true record of the meeting:**

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Dated

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