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Draft Minutes of the Annual Members' Meeting held on Saturday 21 June 2025 at Whittle House, Foleshill Enterprise Park, Courtaulds Way, Coventry CV6 5NX

Paul Elverson, Vice-President, occupied the Chair.

1. Apologies
Apologies were received from Clive Miles, President.

2. Welcome
Paul Elverson opened the meeting and welcomed the members and guests present.

Paul Elverson introduced the presenters and introduced the newly appointed Society Secretary.
- Steve Browne, CEO
- Frixos Michael, Director of Finance
- Richard Ward, General Manager Food & Coffee
- Darryl Smith, General Manager Funerals
- Joanne Goold, Director of People, Culture & Shared Services
- Judy White, Society Secretary

3. CEO's introduction
The CEO welcomed the members and guests to the Annual Members Meeting noting that the approach this year was different from previous AGMs. He thanked the suppliers and external stakeholders who had given their time to be part of the supplier showcase.

The CEO informed the members and guests present of the challenging and competitive environment in which the Society was operating not only in the food division but also in funerals. He recognized that the we were experiencing a difficult economic climate with increasing costs which meant that members, customers and client families continued to be cautious with their spending and looking for good value.

The CEO discussed some of the serious impacts of the recent cyber-attack on the Co-operative Group and how this impacted on our ability to source products in our food stores. He acknowledged the work done by staff colleagues to support the food stores in sourcing and delivering products to the stores to ensure that our customers were able to shop. He reiterated his commitment to ensuring the Society recovered from the cyber-attack and moved forward to profitability, ensuring the long-term sustainability of the Society.

4. Presentations from the CEO and Executive Team

a. Financial results – overview by the Director of Finance

Summary: The Director of Finance summarized the financial results for the year. He noted that it had been another challenging year for the Society as we were reporting a second year of losses. The Society had experienced unsustainable cash outflows with uncapped defined benefit pension liabilities.

Gross sales: there had been an upward trend from 2021 to 2024. However, gross sales dropped in 2025 to £103,626,000. The switch from a regional distributor to the Co-op Group improved availability to source products and contributed to gross sales achieved.

Operating profit: 2025 ended with an operating loss of £3,155,000 caused mainly by three main issues:

- increase in pay costs equivalent to about a 30% increase since 2021.
- Distribution costs had increased by more than 80% since 2019.
- In 2025, exceptional costs of £2.5 million of which £0.9 million was due to fixed asset impairment of our non-trading properties at Glenvale and a revision of estimated depreciation of £0.9m.

Net cash: Total net cash reported for 2025 stood at £900,000 compared with £3,500,00 in 2024. Over the years, we had invested our cash to support major projects including:

- Glenvale investment of £6m to diversify our income streams across food, coffee and our property investment portfolio.
- We invested £3m into our new Bishops Itchington location.
- In previous years, we invested in Fieldfare for almost £4m.
- Invested in automation to reduce store colleague hours including £1.5m into electronic shelf edge labels as well as task manager.

Net assets: remained strong and stable at £51,800,000.

Membership numbers: had increased year on year with 188,000 members in 2025.

Plans to return to profit: The Director of Finance provided some detail about the plans in place to return the Society to profit including:

- The actual baseline (having excluded the exceptional charges) was an operating loss of £500,000.
- We are expecting additional increased costs primarily through National Living Wage and National Insurance increases equivalent to £2.2 million.
- Some tough decisions had been taken e.g. closing down underperforming stores (Ansty Road and our aged Bishops Itchington stores).
- Taken action to cap future liabilities on our defined benefit pension plan saving circa £0.8million a year.
- Capital deployment discipline including establishing access to £9.5million of debt financing to support strategic projects.

b. Strategic overview by the CEO

The CEO explained the key metrics affecting the UK economic outlook – GDP, Inflation, reduced consumer confidence, interest rates and increased competition. He also highlighted the key global convenience trends including:

- Format revolution e.g. autonomous stores, drive-thrus and modular design
- Multi-mission proposition e.g. Foodservice, Dine-at-home, Food-to-go
- Loyalty e.g. seamless omnichannel delivery, advanced membership apps and increased personalization
- Media matters e.g. media partnerships, brand activation and increased digital overheads

- Embedding sustainability e.g. energy efficient technologies, recycling and EV charging

Within funerals the trends included issues such as;

- Increase in direct funeral plan sales
- Regulatory reform
- Increasing customer choice
- Heavy competition
- Rising operating costs.

The Chief Executive explained the key elements of the North Star strategy including the strategic objectives and strategic drivers to deliver the Society's commitment to enrich the lives of members, clients, customers and colleagues by putting them at the heart of every decision.

The Chief Executive explained his ambitions for the Society:

- To define our co-operative difference
- Generate cash to grow
- Protect, grow and engage membership
- Ensure that members get more
- Make a lasting difference
- Continue to innovate and automate
- Embody the Heart of England way where decisions are for the many and centred around the varying needs of our members, clients, customers and colleagues.

c. <u>Presentation by the General Manager, Food & Coffee</u>

The General Manager food set out the key challenges faced during the year, and some of the actions taken to mitigate.

He explained that the foundations in Food & Coffee included a deep commitment to delivering excellent teams, maintaining high standards and customer care whilst delivering products with a clear focus on meeting member needs.

Some key projects had been delivered in 2025 to further enhance the customer proposition including meaningful membership, introducing Q commerce and the Range and Space project – all of which were aimed at putting members and their needs at the heart of what we do.

He highlighted some of the key initiatives planned for 2026 including growing membership investment / participation, delivering hero customer missions and further expanding our reach and service.

d. <u>Presentation by the General Manager, Funerals</u>

The General Manager for Funerals explained some of the challenges faced during 2025 including falling death rates, damage to the industry's reputation (given the recent news articles of illegal and unprofessional conduct and practice) and increased competition and demand for unattended funerals. The team had worked hard to address these challenges including increased client choice, review of pricing and preparing for regulation.

The General Manager highlighted some of the key strategic initiatives implemented in 2025 such as developing new member incentives and introducing new legal services offerings (including probate, estate administration and estate planning services).

Future plans for 2026 included operational simplification, building digital brochureware and improving and increasing funeral plan sales.

e. Presentation by the Director of People, Culture & Shared Services

The Director of People, Culture & Shared Services explained that because she was responsible for a broad portfolio, her presentation would call out the key challenges, actions and plans across her portfolio and not necessarily in each area.

She summarized the key challenges during 2025 as being the tough labour market and the increases in National Living Wage and National Insurance increases. Colleague engagement established via the colleague surveys was not as high as expected. To counter-act these challenges, her team had introduced in-house recruitment and assessment centres to free up customer-facing colleagues. She highlighted the progress made in implementing green initiatives e.g. by introducing solar panels and introducing our greenest store.

During 2025, the team had delivered on key strategic priorities such as streamlining pay frequency to 4 weeks, introducing Wagestream (an app providing financial benefits), the introduction of member panels (to contribute feedback and inform the leadership of things that matter to them) and the launch of Pennies (a micro-donations organization brought in at the point of sale in stores where members will be invited to donate 10p to further enhance our ability to support out local communities through our Helping Hearts Scheme).

Sustainability was an important area of focus delivering excellent results given our £2.36 million green initiative investments. The Society had achieved 35% electricity savings from new refrigeration equipment, investment in solar panels across 22 locations with 55% of the Service Centre energy coming from solar, gas boiler removals from 8 locations and 64% energy savings from LED lighting installations.

During 2026, members could look forward to the introduction of the Membership App (making it easier for members to engage with us and our products), new property acquisitions and upgrades to our property estate, digital optimization including digital media and for staff colleagues, enhanced training and development opportunities.

The Director of People, Culture and Shared Services thanked the members involved in the Member Relations Committees which during the year had donated £54,800 to local groups and the community. She also reported that £29,400 had been donated to our corporate charity Macmillan Cancer Support and thanked all colleagues and members who contributed to this excellent effort.

The Chair thanked the CEO and the Executive team for their presentations.

5. Minutes of the Annual Members' Meeting held on Thursday 9 May 2024
The minutes were agreed as a true record and were approved.

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6. <u>2024 Annual Report and Financial Statements</u>
The Chair reminded the members that the annual report and financial statements had been made available on the Society's website for several weeks and would be taken as read. The Chair also advised members to consider the presentation given earlier by the Director of Finance earlier in the meeting as part of this item.

The Chair invited Mark Hargate from the auditors Dains Audit Ltd to comment on his report. Mark Hargate highlighted the following:

- Confirmed that Dains Audit Ltd had audited the financial statements of the Society comprising the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.
- That the financial statements and the report from the Director of Finance, gave a true and fair view of the state of the society's affairs as at 25 January 2025 and of its income and expenditure for the year ended.
- That the audit evidence obtained was sufficient and appropriate to provide a basis the auditor's opinion.

The members voted unanimously to approve the 2024 Annual Report and Financial Statement. The Chair confirmed that the resolution had passed.

7. <u>Appointment of auditors</u>
On behalf of the Board, the Chair proposed the reappointment of Daines Audit Limited, as the Society's Auditors for the forthcoming twelve months.

The members voted unanimously to approve the appointment of the auditors. The Chair confirmed that the resolution had passed.

8. <u>Board fee</u>
The CEO explained the two elements of the Board fee proposal:

a. That the Board fee remained at the level agreed at the 2024 AGM as:
President = £7,296
Vice-President = £5,969
Directors = £4,642

b. That instead of the usual annual board fee increase, all Board Members should be part of the Society bonus scheme and shall receive a maximum annual bonus of £1,500 each, or pro-rated based on profitability achieved. If the bonus scheme was not activated, Board Members would not receive any bonus or annual fee increase. The bonus scheme would only be activated when the Society realised profitability within the range of £1 million to £1.3 million in pre-tax profit.

The members voted unanimously to approve the Board fee proposal. The Chair confirmed that the resolution had passed.

9. <u>The Board & Member Relations Committee: Retirements and Appointments</u>
The Chair informed members that Gary Haigh had stepped down from his role as Director after

serving for 14 years. In addition, Christopher Newman had not been re-elected as a Director and would also be stepping down from the board after serving 27 years. On behalf of the Board of Directors, the Chair thanked Gary and Chris for their service and wished them well in their future endeavours.

The Chair invited the Society Secretary to declare the Board election results.

The Society Secretary reported that this year, the Society had partnered with Mi-Voice, a digital voting platform, to support the online nomination and voting process for the Board of Director elections. Voting closed on Friday 13th June 2025 and the results were declared as follows:

Candidate's name	**Number of votes**	**% of votes**
Christine Ogburn	435	35.9%
Scott Montgomery	351	29.0%
Andrew Tampion	338	27.9%

Nominations for the vacancies on the Member Relations Committees opened last month for the three (3) vacancies in each region. Two (2) nominations were received which meant that voting would not be necessary today and the results were declared as follows:

Region	**Names**
Coventry	Hanne Hoeck Barinder Khera
Nuneaton & Hinkley	Jules Warner Lynne Geary
Rugby	Collette O'Connor Barbara Quinney

The Society Secretary congratulated the newly appointed Director, the re-elected Directors and the new and re-elected members of the Member Relations Committees.

10. Any other business
A member enquired about the process for accessing his share account. It was agreed that the matter should be addressed outside the meeting.

The Chair thanked the members, staff and guests present and closed the Annual Members' Meeting.

SIGNED: ....

DATE: ....

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Paul Elverson, Vice-President, occupied the Chair.

1. Apologies

Apologies were received from Clive Miles, President.

2. Welcome

The Chair opened the meeting and welcomed the members and guests present.

3. Amendment to the Society's Rules

The Chair invited the Society Secretary to present the proposed rule amendments.

The Society Secretary explained the amendments being proposed and the reasons for these. There were two sets of amendments for consideration:

a. The first set of changes related to historical amendments. These proposed amendments had previously been brought to the members for approval at a Special Members Meeting in 2022. The members approved all of the proposed amendments, however the amended Rules were not filed with the Financial Conduct Authority (our Registrar), and as a result were not deemed to be valid.

b. The Board was unaware that the Rules had not been filed and had been operating using the unfiled Rules since 2022. Having discussed this issue with the Financial Conduct Authority, it was advised that the amended Rules be brought back to a Special General Meeting and are recommended to the Members for approval.

c. The second set of proposed rule amendments were new proposals and were, in the main, not material changes. These were:

Rule 76: The May 2022 amendments deleted the three-year term of office for Directors. This was an error, and the Board wished to retain this and so, for clarity, it was being made clear that the Rules should include this requirement.

Rule 80(a): This sub-rule stated that a Director that had refused to sign to the Code of Conduct could be removed by a resolution of the Board. However, this contradicts existing rule 87 and so, for clarity, the proposal was to delete this sub-rule.

Rule 87(b): The Board wished to retain a spend requirement that candidates nominated in a board election, and sitting Directors, must meet. This ensured that members are active and trading with the Society to be eligible to become and remain a director. The Board wanted to make sure that the spend limits were fair and at a level that did not discriminate. The spend requirements proposed were £250 for nominees to the Board and £350 for sitting directors.

Rule 87(c): The Board was including the requirement to sign the Director Code of Conduct as all Directors would be required to do so. This also took away any ambiguity.

There were no questions raised by the members present.

The Vice President explained that to approve the proposed amendments and in line with the Society's Rules, the resolution required two-thirds of the votes cast in support.

The Vice President invited the members to vote on the resolution via a show of hands. There were no votes against and no abstentions.

The Vice President confirmed that the resolution to amend the Society's Rules had passed via a unanimous vote of the members.

4. Any other business

There was no other business to note.

The Vice President brought the Special Members' Meeting to a close.

SIGNED: ....

DATE: ....