



**MINUTES OF THE
ANNUAL MEETING OF MEMBERS
OF EAST OF ENGLAND CO-OPERATIVE SOCIETY
LIMITED HELD AT 10.30 A.M ON SATURDAY, 9TH
MAY 2015 AT WHERSTEAD PARK,
IPSWICH, IP9 2BJ**

Present: Mrs S Chicken President
 Mr C Barrett Vice-President
 12 Other Directors
 5 Executive Officers
 The Secretary
 85 Other Members of the Society
 2 Associate Members (non-participating)

In Attendance Mr S Ormiston, PWC, auditors

Apologies for Absence

Apologies for absence were received from 2 Directors and 8 other Members of the Society.

Minutes – 2014 AGM

RESOLVED: That the minutes of the Annual General Meeting held on 17th May 2014 be approved as a correct record and signed by the President.

Minutes – 2014 SGM

RESOLVED: That the minutes of the Special General Meeting held on 15th December 2015 be approved as a correct record and signed by the President.

Report and Accounts – Year Ended 25th January 2015

The President and Executive Officer, Finance and Technology, presented the Report and Accounts for the year ended 25th January 2015. Trading conditions remained difficult, with all food retailers facing increased competition and falling prices. Food retail saw sales drop by £3.4 million and like-for-like sales by £5.9 million, with larger outlets suffering more than the small stores. However, all other business achieved year-on-year sales growth resulting in overall sales being up £0.2 million, though underlying trading profit slipped back slightly to £4.8 million. Cash continued to be managed effectively and the year-end closing cash balance amounted to £18.6 million.

Looking ahead, the competitive threat was likely to remain intense and would be addressed by putting membership at the heart of operations, continuing to provide fresh local products, making shopping easy and friendly and providing simple and efficient operations. It would be important to have the right stores in the right places and this could lead to a number of store closures in 2015 and beyond.

Audit Report

Mr Colin Barrett, Chair of the Audit Committee, presented the report of the Audit Committee.

Audit Opinion

Mr Simon Ormiston, Partner of PwC Chartered Accountants presented the unqualified audit opinion for the Statement of Accounts for the year ended 24th January 2015.

Remuneration Report

Mrs Nicola Fox, Chair of the Remuneration and Search Committee, presented the Remuneration Report, highlighting in particular the Committee's role in setting the high-level policy for employee terms and conditions, its role in helping the Board to review its own development and succession plans and the regular review of Directors' fees.

Membership and Community Committee

Mr Phil Hartwell, as Vice-Chair of the Membership and Community, reported on the work of the committee during the year under review including helping the Society become a dementia-friendly retailer and supporting the Sue Ryder Café Neuro Living Well project. In total, the Society had been represented at 52 events during the year, supported 180 community projects and made donations of over £290,000.

Co-operative Group

Ms Beverley Perkins, a Director of this Society and a member of the Co-operative Group's Governance Workstream reported on the development by the Group of new permanent governance structures. This Society had the right to nominate and elect Independent Society representatives to serve on the new Group Council and a number of such representatives would also be appointed to serve on the Group Senate. Together, these bodies had responsibility for overseeing the performance of the Board and the adherence to co-operative values and principles.

Questions and Comments from Members

Questions and comments raised by Members referred to the following matters:

- Pricing and ranging
- Balance/emphasis between business, community and membership benefit
- Property disposals and acquisitions
- Personnel and Community cost control
- Coggeshall and Colchester developments
- Co-op Juniors concerts at Snape Maltings
- H L Perfitt (stonemasonry) performance
- Development of the remote security business
- Diversification
- Employee engagement (pride in working for the Society)
- Clean and tidy stores

The President, appropriate Committee Chair or Executive Officer responded in each case.

The President then put the Board's recommendations to the meeting and it was:

RESOLVED: That the Report and Accounts for the year ended 24th January 2015 be received.

- RESOLVED: That the Remuneration Report for the year ended 24th January 2015 be received.
- RESOLVED: That the formula for calculating Directors' fees agreed at the 2014 AGM be retained and the Directors fee for 2015-16 be approved at £8,110 (an increase of £198 on 2014-15).
- RESOLVED: That PwC be re-appointed Auditors for 2014-15.
- RESOLVED: That a Dividend of £3,096,604, equivalent to a rate of 2%, be paid to Members upon the value of qualifying purchases made from the Society during the year ended 24th January 2015.
- RESOLVED: That the Society maintain its affiliation to the Co-operative Party for 2014-2015: and
- a) a subscription for 2015 of £32,000 (2014 £31,848) be paid in June 2015;
 - b) a payment of half this amount also be paid to cover the first six months of 2016; and
 - c) any subscription agreed in future years be paid with the clear notice that it would cover the period from 1st July to the following 30th June.

Dormant Share Capital

The meeting was informed that the Board had agreed that any dormant share capital subject to forfeiture under the rules be retained for use and re-investment within the Society; and that the notional interest that would have been earned on such amounts be allocated to initiatives within the core trading area of the Society that support Co-operative Values and Principles as agreed by the Board on recommendation from the Membership and Community Engagement Committee.

Member Motions

Four Member motions had been submitted in accordance with the rules.

1. Transparency and Accountability (Proposed by Mr D Douglas; seconded by Mr J Smith)

- That the rules of the society should be available in store with the store manager.
- That the rules of the society should be available on the website.
- The minutes of all general meetings should be available on the website.
- That the Directors and Executives should have completed training in The Nolan Principles in Public Life by December 2016 and thereafter the principles should become part of the induction process.

The following amendment, (Submitted by Mr C Barrett; Seconded by Mrs S Chicken) was accepted by the proposer of the motion:

Delete all references to 'Nolan Principles of Public Life' and insert in their place:
'Co-operative values and principles, Corporate Governance Code for Consumer Co-operative Societies and the Society's code of conduct for directors'

At the conclusion of the discussion, the motion as amended was approved by the meeting.

2. Restructuring of the Board of Directors (Proposed by Mr D Douglas; seconded by Mr J Smith)

- That the Board should convene a SGM and bring a rule change forward to create a smaller more diverse board of directors.
- That the board propose the rule change to reduce the number of Directors on the board to twelve **and to propose** a rule change to alter the election of Directors to a Single Transferable Vote system.
- The board should create local structures to encourage more diversity on the Board of Directors.

Mr J Pendle spoke against the motion on behalf of the Board to support maintaining the existing Board size, voting system and single constituency.

At the conclusion of the discussion the motion was put to the meeting and defeated on a show of hands.

3. Store Closure Policy (Proposed by Mr D Douglas; seconded by Mr J Smith)

- That in the store closure process the East of England Co-op should give regard in conversion of stores to “Community” Stores (particularly those without a nearby alternative). If there is no store within a mile’s direction the store should cooperate with the local Rural Community Council and the local elected body (or somebody delegated by them) to develop a Community Shop proposal.
- That in each case where complete closure is necessary, the Society should work with the local elected body (or somebody delegated by them) to audit the impact and fund a number of measures, which will mitigate any hardship caused by the closure.

Mr C Mann spoke against the motion on behalf of the Board in support of existing store closure practices.

At the conclusion of the discussion the motion was put to the meeting and defeated on a show of hands.

4. Increasing member involvement in the Society (Proposed by Mr D Douglas; seconded by Mr J Smith)

- That the Society membership involvement measurement should include:
 - A membership KPI for each of the Executives
 - The number of times individuals present their Dividend cards at point of purchase
 - The number of hours that members volunteer for the Society
 - Training for each staff member on involving members in the democratic process
- That the Society should advertise the local groups on their website with contact details and if feasible meeting dates, times and locations.
- That the Board proposes a Society Representative Council to a special SGM in January 2016 comprised of 24 members and structured to reflect the geographical,

age and diversity mix of the membership. The SGM should be somewhere other than Wherstead Park and on a Saturday to be more accessible to the membership.

- That the Society should encourage and support joint local groups (or clusters) with other Cooperative Societies, if approached.

Mr P Hartwell spoke against the motion on behalf of the Board in support of existing membership engagement policies and practices and against the proposed Society Representative Council.

At the conclusion of the discussion the motion was put to the meeting and defeated on a show of hands.

Election Results – Board of Directors

The President reported that there had been 19 candidates standing for 6 vacancies on the Board of Directors. The results of the election were as follows:

<u>Elected for 4 years:</u>	<u>Votes cast:</u>
Phil Hartwell	1,236
Tereza Scrogie	968
Emma Howard	898
Claire Johnsen	840
<u>Elected for 3 years:</u>	
Celia Moore	833
<u>Elected for 1 year:</u>	
Steven Shaw	742
<u>Unsuccessful Candidates</u>	
Jackie Bowis	663
Maria Cohu	630
Jenny Gosling	619
Gareth Phillips	580
Jonathan Roberts	523
Tony Evans	502
Graham Bricknell	428
Karen Tarling	419
Danny Douglas	415
Christopher Hodson	380
Lucy Allen	335
Mike Finch	294
John Clitherow	293

Vote of Thanks

The President proposed and Members approved a unanimous vote of thanks to the following Directors retiring after long service on the Board of the Society and its predecessors pre-merger:

Mary Blacksell	1994 – 2015
Gillian Bober	1977 – 2015
Graham Bober	1981 – 2015

The President presented them each with a small token of the Board's thanks and looked forward to meeting them at future events and Member meetings.

Graham Bober responded with reference to the challenges facing the Society.

Close

There being no other business, the President closed the meeting, thanking Members for their attendance and participation.

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President

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Date