

AGM – Q&As

We received the below questions/comments prior to the AGM and set out below our responses. The second comment has been paraphrased.

Q1. Having looked at the slate of directors seeking election/re-election I was taken aback by the lack of diversity and in the case of two candidates by their backgrounds working in the private banking sector. The Harpenden is a mutual society and I did not feel that someone who has worked in this area represents customers like me. I use your Leighton Buzzard branch where most of the staff are female (and very helpful). Could you not have found a woman to stand for one of the four vacancies? I can see that there are two women out of eight who hold positions on the Board but you could do better.

What is the Society's policy on diversity and inclusion? I couldn't find any information on your website to indicate how you have engaged with issues such as BLM.

While we accept the point made, we are committed to ensuring that the Board has the right balance of skills, knowledge, experience, independence and diversity to enable us to discharge our duties and responsibilities effectively. In line with our Board Diversity Policy, we firmly believe in the importance of a diverse Board, in its broadest sense and promote an inclusive culture across the Society. The Board believes the diversity of skills, knowledge, experience, backgrounds, opinions and other distinctions, including gender, age and race strengthens the capability of the Board and, therefore, the effectiveness of its independence, judgement and decision making. Having a wide range of perspectives at the Board level enables us to support our stakeholders' views, challenge management and achieve the Society's overall strategic aims. In the interests of transparency, we will ensure that we publish our Board Diversity Policy on our website.

While any new appointee to the board is made on merit and against objective criteria, diversity is very much front of mind when we carry out a search for a new director. We use an executive search agency to assist in any search and instruct them to identify a diverse list of candidates. The Board has also set itself a target of ensuring that one third of its directors are women – we are currently at 25%. (The Leadership Team comprises 33% women and their direct reports 31%.)

Against this background, we are in the final stages of appointing a replacement for Judith Mortimer Sykes and have identified a female candidate. We hope to conclude the process in the near future.

Q2. A rough deal for 'Savers', the interest rate merely reduces the loss in value of the capital and...it would be nice if that were to be better recognised.

So perhaps, instead of 'we consider the rates to be competitive....', something along the lines 'reflect the very low BBR and are broadly comparable with the rates offered by many other Building Societies, as illustrated by a recent review (?) by the BSA of their Members....; i.e .a more 'global' rather than somewhat 'insular' ... view.

Following the reduction in the Bank of England's base rate in 2020, we had to take the difficult decision to respond. However, we were conscious that savings rates are at an all-time low and therefore the repricing did not pass on the full base rate reduction to our savings customers. The reductions were specifically considered as part of the Society's internal committee structure with consideration given to the combination of base rate, competitive pressures and product range as part of the overall assessment of pricing. We will continue to keep our rates under review and monitor the market closely and adjust our rates accordingly.