ON THE PLATFORM

G M T Howe  (Chairman)
G J Beale  (Chief Executive)
M M Rennison  (Group Finance Director)
R K Perkin  (Chairman of the Audit Committee and Senior Independent Director)
L M Peacock  (Chairman of the Remuneration Committee)
D L Roberts  (Chairman Elect)
S N Waite  (Group Secretary)

PRESENT

All Directors

IN THE HALL

221 Members of the Society, 1 member guest and 8 invited guests

1. CHAIRMAN’S INTRODUCTION

The Chairman opened the meeting, welcomed all those present and introduced those on the platform. He invited Mr Beale, Chief Executive, to make a presentation on the Society’s progress during the year.

2. CHIEF EXECUTIVE’S REVIEW

Mr Beale’s presentation covered the following issues:

Your Nationwide

An overview of the Society was provided, which included the following details:-

- Nationwide first established in 1846 – 169 years mutual heritage
- £196 billion capital business
- 2nd largest mortgage and savings provider
- 15 million members/customers
- 18,000 employees
- 700 branches.

Supporting You

- Mortgage lending of £27.1 billion. £15 million lent for every business hour that Nationwide was open last year.
- Net mortgage lending of £7.1 billion equivalent to a third of the total net lending in the UK.
- Support to first-time buyers - helping 46,000 first-time buyers.
- £1 billion lent through the Save to Buy product, with 90,000 young people saving for their deposit through this product. The government’s latest Help to Buy Scheme was directly based on the principles behind the Save to Buy product.
• Switching guarantee introduced for existing borrowers coming to the end of their fixed period.
• A new savings account was opened every 18 seconds last year, taking balances of £132.4 billion, a growth of just under £2 billion – giving a market share of 10%.
• c.18% market share of the ISA market.
• Loyalty Saver has balances of £20 billion, with 1 million accounts opened.
• Following changes to the ISA rules last year Nationwide introduced a Regular Saver ISA which enabled customers to save from the start of the year to take full advantage of the allowance.
• Last year saw the migration of the Cheshire, Derbyshire and Dunfermline brands into Nationwide.
• The savings portfolio had been simplified with 4.5 million members’ accounts moved into products with simpler terms and conditions.
• The introduction of a savings statement which pulled together a customer’s accounts, detailed the amount invested, the interest earned and interest rate paid during the year.
• Nationwide provides a choice of four current accounts, including FlexOne an account opened during the last year which was targeted at the 11 to 17 years age group. 80% of FlexOne accounts were opened in branch. 469,000 new current accounts were opened in the last year.
• Given the recent uncertainty in Greece, FlexAccount travel insurance cover for carrying cash had been quadrupled in response to government advice to take cash when visiting the country.
• Member Talkbacks now entering their seventeenth year.
• Introduction of a Twitter account giving 24/7 access.

Being a Modern Mutual

• 2.3 million Nationwide members use digital channels, with the mobile app having 165 million transactions last year.
• Debit cards changed to become contactless.
• First financial institution to use Apple Pay on Apple devices, along with Apple Watch.
• £500m investment in branches over the next five years.
• Nationwide Now allows access to remote advice for branches via a high-definition video link.

Our People

• 93% of Nationwide’s employees participated in the annual employee survey, with 96% of those participating understanding what Nationwide is trying to achieve and the values that are important to the Society. 95% of staff believed they could make a positive difference to the Society’s membership.
• Nationwide was number 6 in the Sunday Times Best Big Companies survey up from 11 the year before and recognised by the Times as one of the Top 50 Employers for Women.
• Two-thirds of branches have female managers.
• First high street brand and first financial institution to support the living wage. Nationwide is a Principle Partner of the Living Wage Foundation.
• Nationwide is an inclusive employer running a number of networks ensuring that minority groups are adequately represented. Members of the Executive team sit as directors on Opportunity Now and Race for Opportunity.
Excelling at Service

- Number 1 for customer satisfaction for over 3 years.
- Despite being the second largest mortgage and savings provider, the Society accounts for only 2½% of complaints reported to the FCA. For those complaints referred to the Ombudsman, 91% are found in favour of Nationwide compared to an industry average of 48%.
- Ranked number 1 in PressWatch. Ranked number 1 by The Journalist for the last five years for positive press commentary on products and service.

A Strong Society

- Underlying profit up 32% to £1.2 billion.
- Statutory profit increased by 54% to just over £1 billion.
- Core tier 1 capital ratio of 19.8%, up from 14% last year.
- Cost/income ratio reduced to 51.6%.

Doing the Right Thing

- Nationwide was one of five shortlisted organisations in the UK to be acknowledged as being the best in terms of the corporate responsibility index. Nationwide scored 99% and achieved 5 stars.
- Nationwide’s influence and connection with the housing market flows through its citizenship work with both Shelter and the Nationwide Foundation.
- Macmillan has been Nationwide’s corporate charity for 22 years. As well as financial support, the Society has introduced, in conjunction with Macmillan, a more helpful process for dealing with members who are managing and living with the consequences of cancer.
- Accredited under its triple standard by the Carbon Trust for our measurement and management of diversion of waste from landfill sites, reducing the consumption of water and reducing the output of carbon. During the year the Society’s carbon emission had reduced by 11% and water consumption by 25%. Nationwide has now stopped all of its waste going to landfill.
- A new longer term initiative launched during the year with the Society undertaking to plant a tree for every employee. To date 12,000 trees had been planted, against a target of 17,000 in woodland outside Swindon on land managed by the Wiltshire Wildlife Trust. A second site in Dorset was under consideration.
- Supporting three charities local to the Bournemouth area – the charity receiving the most votes at the conclusion of the AGM would receive £5,000. [NB: The chosen charity was the Bournemouth Hospital Charity].

3. RESOLUTIONS

3.1 The Chairman proposed:

- an ordinary resolution to receive the Directors’ Report, the Annual Accounts, the Annual Business Statement and the Auditors’ Report for the year ended 4 April 2015;

- an ordinary resolution to approve the Directors’ Remuneration Report for the financial year ended 4 April 2015, as set out in the Annual Report and Accounts for the year ended 4 April 2015;

- an ordinary resolution to approve the reappointment of PricewaterhouseCoopers LLP as Auditors to hold office until the conclusion of the next Annual General Meeting;
a special resolution to consider and, if thought fit, to amend the Memorandum of the Society in the way set out in part (a) in the Notice of AGM; and

a special resolution to consider and, if thought fit, to amend the Rules of the Society in the way set out in part (b) in the Notice of AGM.

3.2 The Chairman proposed that each of those Directors offering themselves for election (David Roberts) and re-election (Graham Beale, Rita Clifton, Mitchel Lenson, Lynne Peacock, Roger Perkin, Tony Prestedge, Mark Rennison and Chris Rhodes) be elected/re-elected as Directors of the Society.

The Chairman then invited questions from members.

Matters raised by members covered a wide range of issues, including:-

- Directors remuneration
- Frontline staff bonuses
- Loyalty Saver
- Cash ISA
- Savings rates
- Young savers products
- Annual Savings Statement
- Account opening/information
- Portman merger
- Member democracy and participation and the difficulty in obtaining member support
- House price inflation
- Travel/Home Contents insurance
- External Auditors/PwC performance
- Capital markets
- Branch investment
- ATM screens
- New Chairman
- Buy to Let lending
- Interest only mortgages
- Profit levels
- De-mutualisation
- Director branch visits
- Cheque clearance
- Lending into retirement
- 2016 AGM venue
- Commended and thanked the Chairman.

4. **RESOLUTION TO RECEIVE THE ANNUAL REPORT AND ACCOUNTS**

The resolution to receive the Directors’ Report, the Annual Accounts, the Annual Business Statement and the Auditor’s Report for the year ended 4 April 2015 was put to a poll as required by the Chairman. The result of the poll subsequently declared following the meeting was:

<table>
<thead>
<tr>
<th>Votes in favour:</th>
<th>743,902 (99.09%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Votes against:</td>
<td>6,857 (0.91%)</td>
</tr>
</tbody>
</table>
Votes withheld: 5,194

Resolution carried.

5. **RESOLUTION TO APPROVE THE DIRECTORS’ REMUNERATION REPORT**

The resolution to approve the Directors’ Remuneration Report for the year ended 4 April 2015 was put to a poll as required by the Chairman. The result of the poll subsequently declared following the meeting was:

- Votes in favour: 697,234 (93.66%)
- Votes against: 47,180 (6.34%)
- Votes withheld: 11,531

Resolution carried.

6. **RESOLUTION TO RE-APPOINT THE AUDITORS**

The resolution to approve the re-appointment of PricewaterhouseCoopers LLP as auditors to hold office until the conclusion of the next Annual General Meeting was put to a poll as required by the Chairman. The result of the poll subsequently declared following the meeting was:

- Votes in favour: 725,108 (97.06%)
- Votes against: 21,963 (2.94%)
- Votes withheld: 8,901

Resolution carried.

7. **SPECIAL RESOLUTION TO APPROVE THE AMENDMENTS TO THE MEMORANDUM AS STATED IN THE NOTICE OF AGM**

The special resolution to approve the amendments to the Memorandum of the Society as stated in the Notice of AGM was put to a poll as required by the Chairman. The results of the poll subsequently declared following the meeting was:

- Votes in favour: 724,578 (97.72%)
- Votes against: 16,892 (2.28%)
- Votes withheld: 14,480

Resolution carried.

8. **SPECIAL RESOLUTION TO APPROVE THE AMENDMENTS TO THE RULES AS STATED IN THE NOTICE OF AGM**

The special resolution to approve the amendments to the Rules of the Society as stated in the Notice of AGM was put to a poll as required by the Chairman. The results of the poll subsequently declared following the meeting was:

- Votes in favour: 726,261 (97.90%)
- Votes against: 15,570 (2.10%)
- Votes withheld: 14,136

Resolution carried.
9. **ELECTION OF DIRECTORS**

The proposal that each of those Directors offering themselves for election, namely David Roberts and re-election, namely, Graham Beale, Rita Clifton, Mitchel Lenson, Lynne Peacock, Roger Perkin, Tony Prestedge, Mark Rennison and Chris Rhodes be elected/re-elected as a Director of the Society was put to a poll as required by the Chairman. The result of the poll subsequently declared following the meeting was:

<table>
<thead>
<tr>
<th></th>
<th>VOTES FOR</th>
<th>VOTES AGAINST</th>
<th>VOTES WITHHELD</th>
</tr>
</thead>
<tbody>
<tr>
<td>David Roberts</td>
<td>724,787</td>
<td>19,809</td>
<td>11,349</td>
</tr>
<tr>
<td>Graham Beale</td>
<td>723,531</td>
<td>21,863</td>
<td>10,555</td>
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<tr>
<td>Rita Clifton</td>
<td>724,530</td>
<td>21,189</td>
<td>10,240</td>
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<tr>
<td>Mitchel Lenson</td>
<td>724,110</td>
<td>20,405</td>
<td>11,462</td>
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<td>Lynne Peacock</td>
<td>724,653</td>
<td>21,054</td>
<td>10,244</td>
</tr>
<tr>
<td>Roger Perkin</td>
<td>722,489</td>
<td>21,999</td>
<td>11,473</td>
</tr>
<tr>
<td>Tony Prestedge</td>
<td>723,116</td>
<td>21,346</td>
<td>11,494</td>
</tr>
<tr>
<td>Mark Rennison</td>
<td>723,416</td>
<td>21,199</td>
<td>11,354</td>
</tr>
<tr>
<td>Chris Rhodes</td>
<td>722,414</td>
<td>21,834</td>
<td>11,719</td>
</tr>
</tbody>
</table>

All resolutions were carried.

It was confirmed that a stock exchange announcement would be issued following finalisation of the poll vote by the independent scrutineers, Electoral Reform Services.

10. **THANKS TO THE CHAIRMAN**

Mr Roberts formally recognised the outstanding role carried out by Mr Howe since his appointment as the Society’s Chairman in 2007. On behalf of the Board and the members he thanked Mr Howe, wished him well and led a round of applause.

11. **CLOSE OF MEETING**

The Chairman thanked the members for attending and declared the meeting closed at 1.00 pm.

Chairman: …………………………

JL