

You & Your Society

APRIL 2011

 **Market
Harbourough**
BUILDING SOCIETY

Have your say

Your AGM
and how
to vote



Notice of the Annual General Meeting

Notice is hereby given that the 141st Annual General Meeting of the members of the Market Harborough Building Society will be held on the 28 April 2011 at the Three Swans Conference Centre, Market Harborough, at 7.30pm for the following purposes:



- 1 To receive the Auditors' Report.
- 2 To receive and approve the Directors' Report, Annual Accounts and Annual Business Statement for the year ended 31 December 2010.
- 3 To consider and, if thought fit, pass an Ordinary Resolution to approve the Directors' Remuneration Report.
- 4 To consider and, if thought fit, pass an Ordinary

Resolution to re-appoint PricewaterhouseCoopers LLP as auditors of the Society until the conclusion of the next Annual General Meeting.

- 5 To consider and, if thought fit, re-elect directors –
 - a John George Hatcher
 - b Michael William Parrott
 - c Kenneth Stanton Piggott
 - d Mark Tyson Robinson

By Order of the Board
P E Beardsmore
Secretary
28 February 2011

Make your vote count

I would urge you to attend the AGM. As a member you have an opportunity to vote on a number of key matters, including the re-election of four board members. You will also be able to meet the directors and senior management team. The directors are accountable for your Society's overall performance so I encourage you to have your say and use your vote. If you are unable to

attend, please cast your vote by proxy, either online or by returning your proxy form. This year, for the first time, we will donate 25p for each vote cast to local hospices to support the indispensable work that they do.



David Baker - Chairman

Notes

- 1** These Notes form part of the Notice of Meeting.
- 2** Under the Society's Rules, a member entitled to attend the Meeting and vote may appoint one proxy to attend and vote on his or her behalf. You may appoint the Chairman of the Meeting or anyone else as your proxy, and your proxy does not have to be a member of the Society. Your proxy may vote for you at the Meeting but only on a poll. A poll is a formal vote which may take place after an initial vote by a show of hands. Your proxy may not speak at the Meeting except to demand or to join in demanding a poll.
- 3** You may instruct your proxy how to vote at the Meeting. Please read the instructions on the proxy form. Proxy forms should be returned to The Scrutineers, Electoral Reform Services, Independence House, 33 Clarendon Road, London, N8 0NW.
- 4** The voting date is the date of the Meeting (28.4.11) if voting in person and 25.4.11 if voting by proxy.
- 5** In order to attend and vote at the Meeting, or appoint a proxy, you must qualify as either a shareholding member or a borrowing member.

Shareholding Members

- a** To qualify as a shareholding member, you must –
 - i** if you are an individual, be at least 18 years old on 28.4.11,
 - ii** have held shares to the value of not less than £100 in the Society on 31.12.10, and
 - iii** not have ceased to hold a share or shares in the Society at any time between 31.12.10 and the voting date, and
 - iv** hold a share or shares in the Society on the voting date.
- b** Where the shares are held jointly by two or more persons, only the first named in the records of the Society in respect of those shares can have any voting rights.

Borrowing Members

- a** To qualify as a borrowing member, you must –
 - i** be at least 18 years old on 28.4.11, and
 - ii** have owed the Society not less than £100 in respect of a mortgage debt on 31.12.10, and
 - iii** owe the Society not less than £100 in respect of a mortgage debt on the voting date.
- b** Where a mortgage debt is owed jointly by two or more persons, only the first named in the records of the Society

in respect of that mortgage can have any voting rights.

- 6** In addition, you can only vote once as a member, irrespective of –
 - a** the number of accounts you hold and whether you hold accounts in different capacities (for example, on your own behalf and as a trustee), and
 - b** whether you qualify to vote as both a shareholding member and a borrowing member.
- 7** Members attending the Meeting will be requested to produce evidence of membership in order to obtain admission. This can be a current passbook, recent mortgage statement, the proxy form enclosed with these papers or the letter attached to it. If you are appointing a proxy, other than the Chairman of the Meeting, to attend the Meeting and vote on your behalf, please ensure that your proxy brings an appropriate form of identification to the Meeting.

If you appoint a proxy to vote on your behalf and your proxy does not attend the meeting, your vote will not be counted.

Directors Standing for Re-election



John Hatcher

John is currently the Society's Vice-Chairman, Chairman of the Assets & Liabilities Committee, a member of the Audit & Compliance and Nominations Committees and a Trustee of the Society's Pension Scheme. He is also a director of the Society's subsidiary company, Market Harborough Mortgages Ltd. John is the Managing Partner of a local independent Chartered Accountancy practice and a director of a financial services company.



Mike Parrott

Mike is the Society's Deputy Chief Executive and Finance Director. He has worked in the building society sector since 1986, joining Market Harborough Building Society in 1992. He was appointed Deputy Chief Executive in 1996, joining the Board as Finance Director in 1998. Mike is married and lives locally where he represents his village as a Parish Councillor.



Ken Piggott

Ken is a former Executive Director of the Boots Company plc and Managing Director of Boots the Chemists Ltd. In a career spanning over 30 years he has managed a number of major UK retail businesses, including Children's World, Do it All and Halfords Ltd, and led Boots the Chemists until his retirement in 2004. He is currently Chairman / Non-Executive Director of a number of commercial and not-for-profit organisations.



Mark Robinson

Mark has been the Society's Chief Executive since 2007. He has worked for a number of building societies in senior roles in a long career in the sector. Mark holds an MBA from Warwick Business School and is a Chartered Surveyor. He is married with two daughters aged 14 and 19.

The Board considers that each of the directors standing for re-election is totally independent. They provide an important contribution to the Society and have the knowledge, skills and experience needed to continue the Society's success.

Other Members of the Board



David Baker

David, Chairman of the Society and a non-executive director since 1997, is a retired director and Chief Operating Officer of HSBC Bank plc. David will be retiring from the Board at the conclusion of this year's Annual General Meeting.



Melanie Duke

Melanie became a director of the Society on 1 January 2010, and is a member of the Assets & Liabilities Committee. She is a Chartered Accountant and a member of the Association of Corporate Treasurers. Melanie is currently Director of Tax and Treasury at Gala Coral.



Nick Johnston

Nick, a Chartered Accountant, was appointed to the Board in 2009 and is a member of the Assets & Liabilities Committee. He has operated at Board level for over twenty years and was most recently Group Managing Director of Elmsteel, an international engineering group.



Kerry Spooner

Kerry qualified as a solicitor in 1986 and spent nine years as a partner with the international law firm Allen & Overy LLP. Kerry is Chairman of the Remuneration Committee and a member of the Nominations and Audit & Compliance Committees.



David Woodward

David is a Chartered Management Accountant who has held a number of senior financial positions with organisations based in the East Midlands. David is Chairman of the Audit & Compliance Committee and a member of the Remuneration Committee.

Summary Directors' Remuneration Policy

This is a summary of the policy on Directors' Remuneration, which is set out in full in the Annual Report. An advisory resolution on the policy will be put to the Annual General Meeting.

Remuneration Committee

The Remuneration Committee consists of three non-executive directors. It determines the remuneration of the Chairman and the salary and other contractual benefits of the executive directors, and makes recommendations to the Board concerning the remuneration of non-executive directors.

Executive Directors

For executive directors the Society seeks to establish an appropriate balance between the fixed and variable elements of remuneration. The main components of the executive directors' remuneration are:

- Basic salary, which takes into account the content and responsibilities of the job, salary levels in comparable organisations and individual performance in the role
- Annual and long-term performance bonuses*
- Pension benefits
- Other benefits, namely the

provision of a company car or car allowance, private medical insurance and a concessionary mortgage rate

- Neither of the executive directors has a contractual notice period which exceeds one year, or a contractual entitlement to a termination payment which would exceed twelve months' salary and benefits

Non-Executive Directors

The remuneration of non-executive directors does not include bonus payments, pension or other benefits.

*The annual scheme for 2010 provided rewards based on achievement against benchmarks set at the beginning of the financial year for growth in loans and advances to customers, control of costs, and income generation. The structure of each new long term scheme is determined by the Remuneration Committee at the commencement of the period to which it relates. The current long term schemes are based on performance against benchmarks set at the beginning of each three year rolling period for growth in loans and advances to customers, control of the management expenses ratio, income generation, profitability, customer service and compliance with regulatory requirements.

In recognition of the difficult economic climate the executive directors, Mark Robinson and Michael Parrott, irrevocably waived £8,417 and £5,688 respectively of their entitlements under the annual incentive scheme for 2010. Similarly they waived £16,071 and £10,861 respectively in 2009. The figures in the tables are net of these amounts.

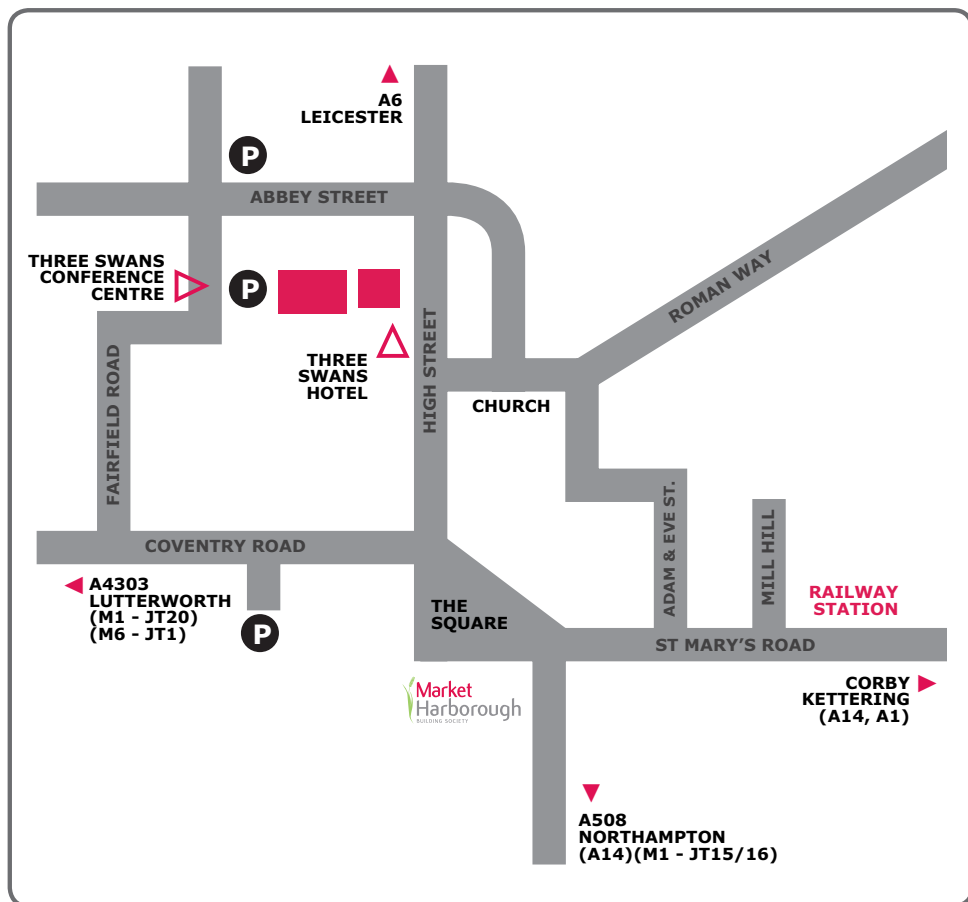
2010	Salary/Fees	Benefits	Performance Pay Annual Incentive Scheme	Performance Pay Long-Term Incentive Scheme	Total	Pension Contributions
	£	£	£	£	£	£
David W Baker - as Chairman	28,832	-	-	-	28,832	-
John G Hatcher - as Vice-Chairman	21,570	-	-	-	21,570	-
Melanie K Duke - from 1 January	18,000	-	-	-	18,000	-
Nicholas J Johnston	18,000	-	-	-	18,000	-
Michael W Parrott	86,792	7,822	8,977	11,267	114,858	8,462
Kenneth S Piggott	18,000	-	-	-	18,000	-
Mark T Robinson	128,425	12,235	13,283	16,671	170,614	8,348
Kerry M Spooner	18,000	-	-	-	18,000	-
David P Woodward	18,500	-	-	-	18,500	-
TOTAL	356,119	20,057	22,260	27,938	426,374	16,810

2009

David W Baker - as Chairman	28,547	-	-	-	28,547	-
John G Hatcher - as Vice-Chairman	21,361	-	-	-	21,361	-
Paul E Beardsmore - until 28 February	11,162	1,059	-	-	12,221	1,088
Charles R Heaton - until 23 April	5,873	-	-	-	5,873	-
Nicholas J Johnston - from 1 August	7,133	-	-	-	7,133	-
Michael W Parrott	84,264	7,806	8,540	10,111	110,721	8,216
Kenneth S Piggott	17,118	-	-	-	17,118	-
Mark T Robinson	124,684	12,257	12,636	11,221	160,798	8,104
Kerry M Spooner	17,118	-	-	-	17,118	-
David P Woodward	17,452	-	-	-	17,452	-
TOTAL	334,712	21,122	21,176	21,332	398,342	17,408

How to find the AGM

Three Swans Conference Centre,
Market Harborough
LE16 7NU



Website: mhbs.co.uk
Email: CustomersFirst@mhbs.co.uk