

The Midcounties Co-operative Limited
Minutes of the Special Meeting of Members
held online via Microsoft Teams online
20 January at 6.00pm

Directors present:

Irene Kirkman, President
Vivian Woodell, Vice-President

Officers Present:

Edward Parker, Society Secretary & Head of Governance

In attendance: 130 members attended online.

26/01 Meeting purpose and background

The Chair explained the meeting had been convened further to member approval of the Society to merge with Central England Co-operative Limited via a transfer of engagements, expected to take place on 26 January 2026.

A new Board of directors would be created in the newly merged society. Seven directors from the Society (Midcounties) Board would serve on the new Board, meaning that the remaining eight directors at the Society (Midcounties) would step down from their director roles.

Rule 18.3 of the Society's Rules allowed for compensation payments to be made to directors in the event of a transfer of engagements. The amount paid required specific member approval and had a prescribed maximum – effectively, the amount a director would have received in the way of fees for the remainder of their term of office at the Society, less (where relevant) any amount they would receive from their director role on the new Society.

The Board proposed that a compensation payment of £5,500 – i.e. half the annual Board fee – be paid to those directors who (i) are not joining the new Society Board, and (ii) who would be continuing on the Midcounties Board were the merger not taking place. Six

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directors would qualify for this payment if approved by members, making for a total cost of £33,000.

The explanatory note appended to these minutes had been sent to members in advance.

26/02 Questions

The following questions were raised in discussion:

Items related to Board compensation payments:

- clarity on which Board members would be in receipt of the payment
- where the payment would come from
- whether Board members would be able to stand for the new Board
- why dividend hadn't been distributed, but payment was proposed to be made to directors
- whether the payments could be delayed to the directors
- whether there was any contractual entitlement to the compensation
- whether compensation had been discussed before the merger with the directors and members
- how the payment equal to six months compared to average colleague redundancy payments
- why redundancy payment methodology had not been adopted for the payments
- whether the potential approval of the vote set a precedent for colleagues to request the same if made redundant
- applying a standard payment as opposed to reflecting tenure as a director.

Items raised relating to other matters:

- how colleagues may be impacted following the merger
- any plans to close loss making sites
- director fee levels in Central England Co-operative
- anonymity of the member vote.

All questions were answered and satisfied by members.

26/03 Vote

A vote was held in respect of the proposal to approve a compensation payment of £5,500 to each of the six eligible Directors. Such eligibility was set out in the background section of these minutes and the explanatory note which had been circulated to members.

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	For	Against	Abstain
Member vote	76	52	2

The vote was approved by members.

26/04 Meeting close

Meeting closed.

Appendix - Explanatory note

Director compensation for loss of office

As members will likely be aware, the Society has agreed to merge with Central England Co-operative. The merger was approved by members at member meetings held on 17 November and 2 December 2025 and is set to complete on 26 January 2026. It is being actioned through what is known as a 'transfer of engagements' – a standard legal process that co-operatives use when they merge.

As part of the arrangements, a new Board of directors is to be created in the newly merged Society. Seven directors from the Midcounties Board will serve on this new Board, meaning that the remaining eight directors at Midcounties will step down from their director roles.

Directors at Midcounties receive a fee to take account of the duties and responsibilities they take on. The current director fee is £11,039 per year (it's a very similar amount at Central).

As some directors will be losing their position on account of the merger, the Board believes it is fair that they receive compensation for this, as were it not for the merger they would be continuing in role and earning a fee.

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The Board is proposing that a compensation payment of £5,500 – i.e. half the annual Board fee – is paid to those directors who (i) are not joining the new Society Board, and (ii) who would be continuing on the Midcounties Board were the merger not taking place. Six directors would qualify for this payment if it is approved by members, making for a total cost of £33,000.

We hope you will be able to join us for the meeting. But, in the meantime, if you have any questions on the above, please contact the undersigned.

Edward Parker

Secretary & Head of Governance

edward.parker@midcounties.coop

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Appendix

Rule 18.3

Compensation

- 18.3.
- a) No director or person holding any other elected position within the Society shall be permitted to receive from the Society, or any other person or organisation any payment greater than that permitted below (the “permitted amount”) by way of compensation for loss of office or otherwise, however described, in connection with any amalgamation, transfer of engagements, or other reorganisation or restructuring of the Society’s business (“reorganisation”).
 - b) The permitted amount, which a director or person holding any other elected position with the Society shall be permitted to receive in the circumstances set out above shall be an amount:
 - i. which is no greater than the amount of remuneration which any such person would have been entitled to receive from the Society if the reorganisation had not taken place, and if the individual had been able to complete the term of office for which they had been elected; and
 - ii. which takes into account any remuneration which the individual receives in relation to a period equivalent to the outstanding term of office, in connection with any office to which they are elected or appointed following the reorganisation; and
 - iii. which has been approved by the members of the Society at a members’ meeting before the reorganisation becomes effective.