

Appendix 1 to the BSA response to the Myners Review Consultation Document

This Appendix summarises the information on building society corporate governance which is communicated by the BSA to its members, the 63 building societies based in the UK.

Regular communications

Consistent with the BSA's encouragement of societies to adopt good standards of corporate governance, the Association issues to building societies regular information on matters relating to societies' corporate governance. The subjects covered are as follows:

- Remuneration of senior building society board members: an annual review of the remuneration received by all building society chief executives, finance directors and chairmen.
- AGM turnout and voting figures: an annual summary of turnouts and votes - including voting on directors' remuneration - by building society members at society annual general meetings.
- Characteristics of building society boards: an annual analysis of the composition of building society boards – including profiles by age, gender and length of service of directors; and size of board.

Guidance

The following guidance is produced by the BSA to assist building society directors in carrying out their duties.

- Corporate Governance: Guidance for Building Societies – the BSA is close to finalising guidance to building societies on the Combined Code on Corporate Governance, which societies will be encouraged to follow. The Association will monitor the extent to which societies follow the guidance.
- BSA Guide for Directors and Managers: This is a handbook providing a birds-eye-view of many of the topics with which new directors of building societies need to become familiar, as well as providing background information on the financial services industry for those directors who may be new to it.
- BSA Guidance on the Preparation for and Conduct of General Meetings, Including Annual General Meetings: this is a good practice guide, produced by the Association mainly to assist smaller building societies.

More generally, the BSA informs building societies of wider developments in corporate governance best practice which are not directly relevant to societies. (A recent example of this was the DTI proposals for listed companies to include an operational and financial review in their annual reports.)

Other Publications

BSA Listening to Members Report: this report highlighted the various ways in which building societies engage with their owners – individual building society members.

Seminars and conferences

The following regular events include consideration of building society corporate governance matters.

- The BSA Annual Conference has in recent years included a session on corporate governance.
- The Association holds an annual seminar for new non-executive directors (NEDs) of building societies and, separately, an annual seminar for existing NEDs and an annual seminar for building society chairmen. At all these events corporate governance issues are high on the agenda.
- BSA annual mutuality conference: this features corporate governance issues particular to mutuals.
- BSA seminar for chairmen of building society audit committees.
- Regional conferences: two of the regional associations that comprise the BSA hold annual conferences and there is a separate annual conference for smaller societies. At all these events corporate governance issues have featured prominently in recent years.

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