

**Minutes of the 129<sup>th</sup> Annual General Meeting held at  
the Westonbirt Arboretum, Waste Drive, Tetbury GL8 8QS,  
on Thursday 20 June 2019 commencing at 6.30 pm**

Present: Mr J F Quinn (Chairman), Ms J W Banks, Mrs M L Evans, Mr I M Maude, Ms K S McIntyre, Mr W J M Schouten, Mr M C Sedgley, Mr P R Hudson (Chief Executive), Mr D R Macgregor (Sales & Marketing Director), Mrs S E Fell (Operations Director), Mr A J Morris (Finance Director), Mr A J Horsley (Company Secretary)

In total, there were 46 Members in attendance (including Members serving on the Board of Management). The quorum was noted as 10 in accordance with the provisions of Rule 21(1)(b).

<b>1.</b>	<p><b>WELCOME</b></p> <p>The Chairman opened the meeting and extended a warm welcome to those present. He advised the meeting that all members of the Board of Management were present and were available to answer questions on the Annual Report and Accounts.</p> <p>The Secretary informed the meeting that Society General Rule 18(6) prescribed what business should be transacted at the Annual General Meeting, namely:</p> <ol style="list-style-type: none"> <li>1. The Report and Accounts.</li> <li>2. The Auditors' Report.</li> <li>3. The election and re-election of Board Members.</li> <li>4. The re-appointment of the Auditors.</li> <li>5. Business brought before the meeting by the Board of Directors.</li> <li>6. Notice of resolutions under Rule 21, of which there were none.</li> </ol> <p>The Secretary encouraged questions on these topics.</p>
<b>2.</b>	<p><b>APOLOGIES FOR ABSENCE</b></p> <p>No apologies for absence had been received.</p>
<b>3.</b>	<p><b>NOTICE OF ANNUAL GENERAL MEETING</b></p> <p>The notice of the Annual General Meeting was taken as read. The Chairman referred to the proxy voting form, which had been distributed with the Annual Report.</p> <p>The Chairman reported that after each resolution had been put and voted upon by a show of hands in the room, the results of the postal votes/electronic votes would be announced. It was noted that votes withheld did not count in law and would not be counted in the calculation of the proportion of votes for and against the resolutions.</p>
<b>4.</b>	<p><b>MINUTES</b></p> <p>The minutes of the Annual General Meeting held on 21 June 2018 were presented for approval. The Chairman signed the Minutes as a true and accurate record, which were proposed by Mr P R Hudson and seconded by Mr G W Burge and <b>AGREED</b> by all present. There were no matters arising.</p>

## 5. ANNUAL REPORT AND ACCOUNTS

### Chairman's Statement

Mr J F Quinn presented his statement, the key points being:

- 2018 was another year of encouraging growth in Membership and a healthy surplus was returned. Premium income increased, and with costs appropriately controlled, the Society continued to be in a very good position. As a result, participating bonuses had again been maintained or improved. The Chairman advised that 95.2% of the claims received during 2018 had been paid and nearly 50% of the premium income was returned to Members either through claims, bonuses and interest or transfers to the Members' Mutual Fund.
- The Society successfully launched a new contract called My Earnings Protected in 2018, which had been well received in the market. Also, in 2018 both Society contracts - Income Assured Enhanced and My Earnings Protected - were awarded a five-star rating by the independent financial products ranking organisation, Defaqto.
- The Service Standards of the Society had been recognised by the industry through the achievement of prestigious awards. In 2018 Eryn Sergeant was awarded Young Insurance Person of the Year. This was the Society's third consecutive success with this award as Eryn's achievement followed that of Catherine James and Victoria Clark in 2017 and 2018. In addition, Jo Green won the Outstanding Customer Care award.

The Chairman advised that the first half of 2019 has seen some significant changes in the Society's Leadership Team. Peter Brown, our Deputy Chief Executive, was retiring after nearly 15 years of service to the Society. Peter had made a significant contribution to the Society's success. In particular, he had played a prominent role in maintaining the Society's financial soundness and he led the highly important work that prepared the Society for the new Solvency regimes introduced in recent years. Peter's name was a notable one in the recent history of Cirencester Friendly and he leaves with the Society's sincere thanks and best wishes for the future. The Society also welcomed Shirley Fell, who joined as Operations Director, and Andy Morris, as Finance Director.

- At the AGM in 2018, the Chairman reported on the acquisition of premises at Lakeside Business Park in South Cerney. Over the previous two weeks the Society had relocated all its staff and the entire business operation into Mutuality House. The Society now had a well-designed, efficient head office, fit for twenty-first century ways of working, and the Board was confident that this would represent a highly successful investment for the Society, serving its operational needs for many years to come.
- The Society continued to benefit from expert external professional advice in areas such as External Audit, Internal Audit, Actuarial Services and Investment advice. The performance and service quality of all of the Society's external advisers was regularly monitored to ensure they continued to offer best value and service to the Society. The Chairman thanked the various Advisers for their assistance during 2018.
- The Chairman thanked the staff and Leadership Team for their hard work and commitment and the Financial Advisers who continued to support the Society.

### Report of the Board of Management

Mr P R Hudson, Chief Executive, presented key items from the Strategic Report, the Report of the Board of Management and the Financial Statements for the year ended 31 December 2018. The points highlighted were as follows:

- Mr Hudson highlighted that the Society had identified three main strategic areas - Operational Excellence Delivery, Product Development and Market Diversification.
- The Board had considered how to deliver on its ambition of being the 'go to provider' and this would be achieved through three strategic objectives, namely:

	<ul style="list-style-type: none"> <li>○ To be sustainable and profitable, building capital for a stronger future together</li> <li>○ To be great to do business with</li> <li>○ To be where people want to work and grow</li> </ul> <ul style="list-style-type: none"> <li>● In terms of being sustainable and profitable, Mr Hudson advised that total Membership had grown to 38,447, Society Funds had seen a 4.3% increase from £138.7million to £144.7 million and almost 50% of premium income was returned to Members in 2018, through claims, bonuses, benefits and interest. My Earnings Protected had been awarded Defaqto 5 Star status</li> <li>● Demonstrating that the Society was great to do business with, Mr Hudson cited 95.2% of claims being paid in 2018 and referenced the 125 Foundation, Friendly Voice and Member Rewards. Bonuses to Members had again been maintained or increased.</li> <li>● The Society had been Highly Commended in the Moneyfacts Investment Life and Pensions awards in the categories of Best Income Protection Provider and Service Beyond the Call of Duty.</li> <li>● Mr Hudson referred to the third strategy of being a place where staff wanted to work and grow and commented that the Society's Values, Employee Proposition, Risk and Compliance underpinned everything the Society did. Mr Hudson highlighted the move to Mutuality House, adoption of the 'HEART' values and the awards to Jo Green (Outstanding Customer Care) and Victoria Clark (Young Insurance Person of the Year) in the Cover Customer Care Awards 2018.</li> </ul> <p><b>Auditor's Report</b></p> <p>The Chairman advised the meeting that Mr Tom Reed of BDO LLP (External Auditor) was in attendance. The Chairman proposed that the Auditors' Report for the Year Ended 31 December 2018 be taken as read. There were no objections. The Chairman invited questions on the Annual Report and Accounts. None arose.</p> <p><b>Adoption of the Annual Report and Accounts</b></p> <p>The adoption of the Report of the Board of Management and Financial Statements for 2018 was proposed by Mr P R Hudson, seconded by Miss C Hudson and unanimously <b>AGREED</b>.</p> <p>The result of the proxy vote was announced:</p> <p style="text-align: center;">970 votes for, 14 against and 12 withheld.</p>
<p><b>6.</b></p>	<p><b>THE BOARD OF MANAGEMENT'S REMUNERATION REPORT (ADVISORY VOTE)</b></p> <p>The Chairman noted that the Chairman of the Nomination and Remuneration Committee, Mr I M Maude was present to answer any questions on the Remuneration Report. The Chairman then invited questions on the Remuneration Report. None arose.</p> <p>The Remuneration Report (Advisory vote) was proposed by Miss C A Fox and seconded by Mrs S Beard-Moore and unanimously <b>AGREED</b> by all present.</p> <p>The result of the proxy vote was announced:</p> <p style="text-align: center;">957 votes for, 19 against, 20 withheld</p>
<p><b>7.</b></p>	<p><b>ELECTION AND RE-ELECTION OF MEMBERS OF THE BOARD OF MANAGEMENT</b></p> <p>Mrs J W Banks, Mrs M L Evans, Mr W J M Schouten and Mr J F Quinn were standing for re-election and Mr D R Macgregor, for election, to the Board of Management.</p> <p>The Chairman announced that the re-election of Board members followed formal performance evaluation and it had been deemed that their performance continued to be effective and that</p>

they had demonstrated commitment to their role. The Board supported the election and re-election of these individuals because they brought the correct mix of business skills and experience to their respective roles and the Society. The Chairman invited questions on the election and re-election of members of the Board of Management. None arose.

**Election of Mr D R Macgregor, as a Member of the Board**

The Chairman put the resolution for the election of Mr D R Macgregor, to the meeting and asked for a proposer and a seconder. The resolution was proposed by Mr P R Hudson and seconded by Mrs K Purnell and unanimously **AGREED**.

The result of the proxy vote was announced:

959 votes for, 19 against, 18 withheld.

**Re-election of Mrs J W Banks as a Member of the Board**

The Chairman put the resolution for the re-election of Mrs J W Banks to the meeting and asked for a proposer and a seconder. The resolution was proposed by Mr P R Hudson and seconded by Mr G W Burge and unanimously **AGREED** by all present.

The result of the proxy vote was announced:

970 votes for, 12 against, 13 withheld.

**Re-election of Mrs M L Evans as a Member of the Board**

The Chairman put the resolution for the re-election of Mrs M L Evans to the meeting and asked for a proposer and a seconder. The resolution was proposed by Miss V Clark and seconded by Mr B Thorne and unanimously **AGREED**.

The result of the proxy vote was announced:

965 votes for, 16 against, 15 withheld.

**Re-election of Mr J F Quinn as a Member of the Board**

The Chairman advised that as he was offering himself for re-election this year, he would hand over to the Company Secretary.

The Company Secretary put the resolution for the re-election of Mr J F Quinn to the meeting and asked for a proposer and seconder. The resolution was proposed by Miss C Hudson, seconded by Mrs C Sanders and **AGREED** by all present.

The result of the vote was announced:

965 votes for, 14 against, 17 withheld

The Company Secretary handed back to the Chairman.

**Re-election of Mr W J M Schouten as a Member of the Board**

The Chairman put the resolution for the re-election of Mr W J M Schouten to the meeting and asked for a proposer and a seconder. The resolution was proposed by Mrs R Hill and seconded by Mr D R Macgregor and unanimously **AGREED**.

The result of the proxy vote was announced:

962 votes for, 16 against, 18 withheld.

**8. APPROVAL AND ADOPTION OF SCHEDULE 6 TO THE MEMORANDUM AND RULES OF THE SOCIETY**

	<p>The Chairman put the resolution for the approval and adoption of Schedule 6 to the Memorandum and Rules of the Society, tabled at the meeting. The Chairman invited any questions. None arose. The Chairman asked for a proposer and seconder. The resolution was proposed by Mr P R Hudson and seconded by Mrs R Hill and unanimously <b>AGREED</b>.</p> <p>The result of the proxy vote was announced:</p> <p style="text-align: center;">955 votes for, 9 against, 32 withheld</p>
<b>9.</b>	<p><b>TO RE-APPOINT BDO LLP AS AUDITORS</b></p> <p>The Chairman advised that the Chairman of the Audit &amp; Risk Committee, Ms K S McIntyre was present to answer any questions on the re-appointment of the Auditors. None arose.</p> <p>The Chairman put the resolution for the re-appointment of BDO LLP as Auditors. The Chairman asked for a proposer and a seconder. The resolution was proposed by Mrs K Purnell and seconded by Miss C Fox and unanimously <b>AGREED</b>.</p> <p>The result of the proxy vote was announced:</p> <p style="text-align: center;">962 votes for, 13 against, 21 withheld.</p>
<b>10.</b>	<p><b>ANY OTHER BUSINESS</b></p> <p>The Chairman invited questions deemed relevant to the business of the Society. Mr G W Burge expressed thanks to the Board and staff for their success in moving the Society forward. Mr Burge requested that the 2020 Annual General Meeting be held at Mutuality House. This was agreed.</p> <p>The Chairman announced the Prize Draw, which would take place shortly after the Annual General Meeting.</p>
<b>11.</b>	<p><b>CLOSE</b></p> <p>The Chairman thanked everyone for attending and there being no further business, the meeting closed at 7.14pm.</p>

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Chairman

Date: \_\_\_\_\_