

WILTSHIRE FRIENDLY SOCIETY LIMITED
MINUTES OF THE ONE HUNDRED AND THIRTY FIFTH
ANNUAL GENERAL MEETING OF THE SOCIETY

HELD ON 28 JUNE 2022

The Meeting was hosted by Mrs Caroline Whitehead, the Society Chair, from the Society's office at Holloway House, Epsom Square, Trowbridge, BA14 0XG.

1. INTRODUCTION

The Annual General Meeting commenced at 10.06am. The Chair, Mrs Caroline Whitehead, welcomed those attending the meeting.

The Chair also introduced the Board and explained that they were present to answer any questions from those attending. The Chair added that unfortunately, Mr Bones, the Chair of the Audit, Risk & Compliance Committee, and Mr Gould, a new member of the Board, were unable to attend the meeting.

The Chair noted that the following documents were available if attendees wished to view them:

- Board of Management Terms of Reference.
- Staffing, Salaries & Nominations Committee Terms of Reference.
- Audit, Risk & Compliance Committee Terms of Reference.
- Senior Independent Director Terms of Reference.

The Chair confirmed that this year it was a pleasure to be once again holding the meeting in person at Holloway House. She confirmed that:

- votes had been already cast ahead of the meeting by members, both online and by post;
- members, as an alternative to voting themselves, could choose to appoint the Chair as Proxy to vote as she saw fit at today's meeting.

The Chief Executive added that after each motion the Chair would declare the total votes for the motion and he confirmed that the proxies the Chair held on behalf of members would be cast in favour of each of the motions.

The Chief Executive introduced the Senior Management team of Mrs Sarah Barrell, Mr Lee Davis and Mr Edward Smith.

2. APOLOGIES

Apologies had been received from Mr Bones and Mr Gould.

3. MOTION 1 – TO APPROVE THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 15 JUNE 2021

The Chair asked the meeting if they had had chance to read the Minutes of the previous Annual General Meeting, held on 15 June 2021.

The Chair asked for questions, there were none. No questions were posed prior to the meeting.

Annual General Meeting Approval	
Chair Signature	Date

The Chair declared a summary of the votes cast in respect of the approval of Minutes of the Annual General Meeting held on 15 June 2021 as follows, and confirmed the Chair discretionary proxy votes would be cast in favour of the motion:

	Proxy to Chair discretion – Online & Postal	Proxy to Chair instruction – Online & Postal	Cast at the Meeting	Total
- For	17	67	4	88
- Against	0	1	0	1
- Withheld	0	0	0	0
- Null and Void	0			

The Chair declared the resolution was duly carried.

The Chair asked if there were any matters arising. There were none.

The Chair declared the minutes were confirmed as a true copy and that she would now sign the minutes as such.

4. **MOTION 2 – TO RECEIVE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

The Chair introduced the Financial Statements and explained that they were for information only, no vote was required.

She added that Mr Gurney, Mrs Astley Marsh and Mr Gratland would be presenting on specific elements of the Financial Statements.

Chair's Report – Introduction:

- The Chair was very pleased to be presenting her first statement as the Society's Chair having taken over the role in April of this year.
- She reiterated some of the key messages she gave in her Chair's Statement.
- She was delighted to say that the Society had come through the pandemic challenges very well and that the Society remained financially strong, even after all the social and economic challenges of 2021.
- It had really been business as usual – fully operational and the Society was now getting back to the sales growth initiatives it had previously planned.

Our Members Come First

- The Society took time to redefine its purpose statement and values and to put the members at the forefront of our day-to-day thinking at both staff and Board levels. It believed, and aspired, to listen to our members, think of our members and act for our members in all that we do.
- The Society was here as an Income Protection provider to pay claims and again last year we paid 96.33% of all claims, which truly demonstrated the value of the plans our members had.
- We also continued to pay a bonus for Holloway members. The 2021 Apportionment was slightly reduced, however both Bonus and Terminal Bonus had been maintained at 2020 rates which we still believed represented good value to Holloway members in the current economic climate. Being able to deliver a bonus rate was still a key priority for the Board and a measure of the value of Holloway membership.

Strategy

- The Society remained committed to being an independent business and we had a clear growth strategy, to maximise our sales potential as a niche, specialist income protection provider which Mr Gratland would highlight later.

Annual General Meeting Approval	
Chair Signature	Date

- Emerging from the restrictions of the pandemic, we had a clear plan to develop our products to target niche markets and grow distribution through intermediaries.

Society Performance:

- The sales initiatives in 2021 were impacted by the pandemic and our new business did not grow as expected. However, 2022 had started promisingly with premium growth being seen in our Group business, which was one of our key product growth areas.
- We saw a strong investment performance in 2021, though overall investment return was lower than 2020. Mr Gurney would expand and explain this later.
- Our expenses in 2021 were marginally lower than in 2020 and this demonstrated our close management of costs, so that we could operate as efficiently as possible.

Board & Governance

- There had been a number of planned changes to our Board since the last AGM, with the new Chair being just one.
- We welcomed three new Non-executive Board members, Mr Gould, Mrs Astley Marsh and Ms Brown, and said goodbye to three long-standing ones, including our Chair, Roger Harrison, who left the Society after 17 years.
- Mrs Astley Marsh would explain more about those changes later and why they were important from a Governance perspective.

Mrs Whitehead introduced Mr Gurney.

Mr Gurney gave a short presentation about the Financials within the Financial Statements, noting:

Key Performance Indicators (KPIs) – Page 12

- The KPIs are used by the Board to aid decision making.
- Total premium income was broadly stable again, though slightly down, a key focus remained to bring in new premium income and retained our existing income.
- Expenses remained tightly controlled, down again on the previous year, which meant our ratio of Operating Expenses to Premium Income had again improved – 46.58% in 2021 vs 44.40% in 2020.
- Our Free Asset Ratio reduced slightly to 24.1%, which was at the top of the KPI range, due primarily to an increase in the expense reserve.

Investments – Pages 8 and 28

- With everything going on in the world, impacting markets in 2021, the Society Investment performance was still strong though our overall investment return was slightly lower than 2020.
- Having weathered the impacts of the pandemic on the world economy, the global investment market reacted to increasing inflation towards the end of 2021.
- The Society had maintained its investment strategy which balanced risk with potential return, investing over the longer term, and its portfolio was strategically positioned and managed to minimise the effects of market fluctuation.
- The Society added an Environmental, Social Governance (ESG) assessment into its portfolio management during 2021. The intention was to understand how the portfolio fared against an ESG assessment of sustainable investments and to then monitor how that ESG assessment changes as invested companies developed their sustainability approach. The ESG assessment was not at the expense of the main portfolio objective, which remained to achieve a balance of maximising income whilst pursuing prudent investment strategies and ensuring protection of the Society's capital.
- Financial Assets increased slightly to just over £14.8 million.

Auditors Report – Pages 23 to 26

- The opinion was that the Statements represented a true and fair view of the Society's affairs and surplus for year end 2021. The Statements had been properly prepared in respect to accounting practice and in accordance with the Friendly Society's Act 1992.

Annual General Meeting Approval	
Chair Signature	Date

Mr Gurney asked for questions. There were none.

Mr Gurney introduced Mrs Astley Marsh who gave a short presentation about the Society Board as explained within the Financial Statements.

Mrs Astley Marsh explained about the Society Board, referencing pages 13 to 16 in the Financial Statements.

The Society's Board structure

- The planned changes to the Board were now in effect. We had maintained the number of Board members, with three new joiners in the last 9 months, and three remaining carrying the experience from previous years which the Board considered a good balance of 50% new and 50% existing.
- This refreshed Board was also important from a governance perspective as we sought to maintain strong and appropriate governance.
- We had also recently completed an external Board Effectiveness Review, to ensure we continued to operate to the best of our ability for the benefit of our members.

Board independence

- Board independence was defined by the AFM's Corporate Governance Code and Board Members ceased to be independent when they had served on the Board for more than 9 years. In 2021 there were 3 independent Board Members which represented 43% of the Board. As at today, the independence ratio has increased to 66%, which was more than the AFM's Corporate Governance Code prescribed limits.
- Despite the changes, the Board maintained a clear succession plan in place to monitor and anticipate required changes in the future.

Board skills and experience

- The Board had sought to develop the diversity and skills and experience through its recent recruitment. Each Board member brought different skills, experience and perspective to the Board operation and we reviewed the skills required for the Board on an annual basis. The Board were actively engaged in driving the Strategy forward through the Chief Executive and Management Team.

Board Committee development

- The Board delegated functions to its Committees. The Committees were restructured in 2021 to take into account the experiences of the existing and new Board members. The Committee Terms of References remained the same, and continued to be reviewed annually.

Mrs Astley Marsh introduced the Chief Executive, Mr Gratland, who gave a short presentation about the Society's Strategy contained within the Financial Statements.

The Society Strategy was referred to in pages 10 to 12 in the Financial Statements.

Strategic Focus

- The Society had a rolling Strategic Plan, which was reviewed annually, and the focus had not changed in the last year.
- The Society Strategy is focused on remaining independent, protecting its core Holloway membership base and acknowledging and adapting to changes within its marketplace. The Society was evolving.

That Strategy remained clear to:

- Focus on what it knows.
- Play to its specialism.
- Spread the word through targeted marketing.

Annual General Meeting Approval	
Chair Signature	Date

- The Society provided one product type only and would continue to focus on that one product type.
- The Society had built, and continued to develop, a reputation as a specialist provider, diversifying into product variations of that one product type. The Society therefore promoted itself to the outside world as a ‘Specialist Income Protection Provider.’

‘Growth’ is from our Strategic Focus

- Future growth and sustainability would come through driving increased revenue from new income protection initiatives, both in terms of the Society’s products and distribution markets.
- Firstly, in terms of product, developing the ‘Group’ product market i.e. income protection for employers to insure their employees, was the growth opportunity the Society was pursuing.
- Secondly, in terms of distribution the intermediary market remained important in delivering the Society sales growth – which was the Independent Financial Adviser and Financial Adviser firms. Business written through non direct distribution channels amounted to 89% of the total in 2021 (2020:- 85%).
- So whilst the Holloway products remained and continued as the core individual plan, being adapted with specific terms for new markets such as sports and Farriers. We were already looking at new Protection Only plans to widen our product range and to access targeted markets.
- The Society had committed to widen its service by adding an ‘Information Only’ option for Holloway members. The service went live in early 2022 and offered members a simple and effective way to discuss any required membership variations. Members were presented with options and clear information, so that they could make an informed decision on whether to vary their membership.

We regularly review and assess

- Close control and monitoring of the success of the Strategic Plan initiatives and costs, together with associated impact on Society capital, continued to identify any requirement or opportunity to develop, amend or implement alternative plans to protect our members interests.

In summary the Society aimed to maintain financial strength and develop and to grow through planned sales initiatives, to establish a long-term independent existence and to add additional value that would benefit Society members.

Mr Gratland asked for questions.

Mr Len Paul asked if there had been any progress on a reduced application process. Mr Gratland confirmed that a quicker, more efficient application was already available within a certain product. The use of technology, to aid the member process, was something that would continue to be looked at in the future. Mr Gratland added that sometimes members who proceeded through the advised service still valued that more comprehensive service.

Mr Gratland handed back to the Chair, Mrs Whitehead.

Mrs Whitehead gave a short Chair’s Summary.

Looking Ahead

- The Society had coped well with the recent challenges of the pandemic and financial market fluctuation.
- The Society remained in a strong capital position.
- The Society committed to focussing on its current and future members and to ensure that their interests remained its priority.
- The Society had the Board, the staff, and the products to pursue its growth strategy.
- We also placed importance on maintaining our governance controls to ensure regulatory compliance and safe stewardship of the Society on behalf of our members.
- She was excited by the prospect of leading the Society into its next chapter.

Annual General Meeting Approval	
Chair Signature	Date

The Chair confirmed that the Financial Statements had been available on the website since 1 June 2021. She then declared the meeting open for discussion of the Financial Statements.

The Chair asked for questions, there were none.

The Chair confirmed that this motion carried no vote and that the Financial Statements had been received and adopted and the resolution duly carried.

5. MOTION 3 – TO APPROVE THE BOARD REMUNERATION REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Chair referred to the Board Remuneration Report and informed the meeting that the Board of Management Remuneration Report was an advisory vote only.

Whilst this was not a legal requirement, the Board considered it to be best practice for members to be able to express a view on this matter.

The Chair declared the following votes in relation to this motion and confirmed the Chair discretionary proxy votes would be cast in favour of the motion:-

	Proxy to Chair discretion - Online & Postal	Proxy to Chair instruction – Online & Postal	Cast at the Meeting	Total
- For	17	66	4	87
- Against	0	2	0	2
- Withheld	0	0	0	0
- Null and Void	0			

The Chair declared the resolution was duly carried.

6. MOTION 4 – TO ELECT, OR RE-ELECT, MEMBERS OF THE BOARD OF MANAGEMENT AS LISTED BELOW

The Chair declared the following votes in relation to this motion. She announced that Mr M S Gurney and Mr D C Bones were offered for re-election and Mr C P Gould, Ms H J K Brown and Mrs I Astley Marsh were offered for election. A summary of the votes cast was as follows:

	For Proxy to Chair discretion - Online & Postal	For Proxy to Chair instruction – Online & Postal	For Cast at the meeting	Total For	Against	With held	Null and Void
M S Gurney	17	67	4	88	1	0	0
D C Bones	17	67	4	88	1	0	
C P Gould	17	67	4	88	1	0	
H J K Brown	17	68	4	89	0	0	
J I Astley Marsh	17	68	4	89	0	0	

The Chair declared that all members were elected, or re-elected, and the resolution duly carried.

Annual General Meeting Approval	
Chair Signature	Date

7. MOTION 5 – TO RE-APPOINT MOORE AS AUDITOR

The Chair declared the following votes in relation to this motion:-

	Proxy to Chair discretion – Online & Postal	Proxy to Chair instruction – Online & Postal	Cast at the Meeting	Total
- For	17	66	4	87
- Against	0	2	0	2
- Withheld	0	0	0	0
- Null and Void	0			

The Chair declared the resolution was duly carried.

8. MOTION 6 – TO RE-ELECT THE ARBITRATORS TO SERVE FOR THE COMING YEAR

The Chair declared the following votes in relation to this motion:-

	For Proxy to Chair discretion – Online & Postal	For Proxy to Chair instruction – Online & Postal	For Cast at the meeting	Total For	Against	With held	Null and Void
Mike Stillwell	17	68	4	89	0	0	0
John Pepler	17	68	4	89	0	0	
Colin Cheshire	17	68	4	89	0	0	

The Chair declared that all arbitrators were duly re-elected and the resolution duly carried.

9. ANY OTHER BUSINESS & CLOSURE OF MEETING

The Chair explained that under Rule 21.4 of the Society's existing Rules there were no other items to discuss which had been raised by the Board of Management or by the members.

She informed the meeting that the resolutions of the 2022 AGM had now been concluded.

The Chair stressed that the Society continued to maintain a very loyal team of hard-working employees and thanked each one for their commitment and enthusiasm over the last year and also this year, for getting the Society through the pandemic crisis and for keeping the Society running smoothly.

The Chair also thanked the Chief Executive and her fellow Board members for their expertise and commitment to the onward development of the Society.

Lastly, on behalf of the Board, the Chair thanked the members for their continued support and that we looked forward to supporting our members again in the coming year.

The meeting was declared closed at 10.44am.

Jon Gratland
Chief Executive
28 June 2022

Annual General Meeting Approval	
Chair Signature	Date