

The Original Holloway Friendly Society Limited

**Minutes of the One Hundred and Thirty-seventh ANNUAL GENERAL MEETING
Held at Holloway House, 71 Eastgate Street, Gloucester, Gloucestershire, GL1 1PW
on Tuesday 12th June 2018 - Commencing at 4.00pm**

Present

Martin Day*[#] - Chair
Kevin Wiltshire*[#] - Vice Chair
Stuart Tragheim*[#] - Chief Executive
Anna East*[#]
John Holland*[#]
Derek Wright*[#]
Adrian Humphreys*[#]

Paul Harwood[#] - Company Secretary
Mike Taylor*[#]
Andrew Haughton - CMS
Mr Ian Gardner[^]
Georgia d'Esterre[#]
Alison Poyner*

*A Member of the Society

[#]A member of the Society's Board of Management and/or a Society employee

The Company Secretary noted that the meeting was quorate in terms of members present and represented.

Apologies

No apologies for absence were received.

Chair's Address

The Chair welcomed the members to the 137th AGM and thanked them for their attendance and interest in the affairs of the Society. He welcomed Andrew Haughton from CMS who would be noting the proxy votes that had been received. The Chair asked if there were any questions from the floor before starting the business of the meeting. There were no questions.

Notice

The notice of the meeting was taken as read.

RESOLUTIONS

RESOLUTION 1: To confirm the Minutes of the Annual General Meeting held on 11 July 2017

The minutes of the Annual General Meeting held on Tuesday 11th July 2017, available on the website, were taken as read.

The resolution was proposed by Martin Day and seconded by John Holland. **The Resolution** was carried on a show of hands and the Chair was directed to sign the minutes as an accurate record of the meeting.

The proxy vote was 267 for the Resolution, none against and 7 withheld.

RESOLUTION 2: To receive and, if approved, adopt the Report of the Society's Board of Management and its Financial Statements for the year ended 31st December 2017

Prior to proposing the Resolution the Chair called upon the Chief Executive to present his strategic overview, reproduced verbatim below:

"I am delighted to be presenting my second report to Members as Chief Executive of Holloway Friendly.

"As a reminder, the brief that I have agreed with the Board is to modernise, professionalise and grow the Society over the next 5 years and to build it into a sustainable business that makes a mark in the market.

"2017 was the first full year in this 5 year plan and has been known as our 'transformation' year. It was a year of considerable change for the Society and we made significant strides towards achieving our objectives.

"I am, therefore, a proud yet humble CEO. I am immensely proud of the progress we have made as a business, none of which would have been possible without the dedication, enthusiasm and sheer hard work from everyone in my team. I am humbled by that same willingness of my colleagues to commit to such a massive change programme with unwavering commitment and a real sense of optimism. I really could not have wished for more.

“The Board has been significantly supportive too and has challenged the Executive to keep going in the right direction and in the most appropriate way. Their support is vital and I would like to thank them for their help and guidance during the year. I will not spend time going through all of the changes that we delivered in 2017 as they are too numerous to mention, but I would highlight some of the significant achievements for our members as well as some areas of disappointment:

- We brought around 1,500 new members to the Society in 2017, which is a record level of new business going back many years. These members account for around £500,000 of new annual premium income. This is good progress, but not quite as good as we had hoped. Most of this growth happened in the final quarter of 2017 as we bedded in our new sales and market infrastructure.
- I am delighted to say that that new business momentum has been maintained into the first half of 2018 and we have already put on risk more new members in the first 5 months of this year than we did in the whole of last year.
- We have built a sales team and a marketing function. We now have the ability to talk directly and consistently to intermediaries who advise on income protection. We have strengthened our operations, underwriting and claims management teams, all of whom are incredibly energised with the idea of intelligently supporting Members.

There is a limit to the services that can be developed on the Society’s existing IT platform. Bearing this in mind, towards the end of 2017 your Board agreed in principle to a major multi-million pound systems development project. This is an important step in the strategy, central to modernisation and to providing products and services desired by intermediaries. Crucially, it is the foundation to efficient Member support.

- We made a number of changes to our products, our underwriting philosophy and our claims handling processes. The changes range from the removal of small irritants to those which are market leading. For example, we have launched an online underwriting pilot, which has been enthusiastically embraced.
- A key development for our members, we have aggressively attacked our claims processes and claims management activities. Our record from receipt of a claim to payment is 4½ hours. It is a record that the team is determined to beat. How has it been achieved? By revising how, in a digital age, we collect and consider the information needed to support a claim. Of course, we have to be wary of the possibility of fraud (after all, it is your money that we are safeguarding) but we consider first what is reasonable.
- We have also refreshed our rehabilitation support. The Society’s interest in its Members does not stop with claim payment. Our team actively works with Members to help them achieve their most important goal, getting back to work. During 2017 we have funded re-training, counselling, even mobility scooters, because this was the right thing to do for the Member concerned. At its simplest, we exist to support our Members by making these decisions.
- One of the hardest decisions in 2017 was to close Optimal, our group life product provider, to new business. Modern financial services organisations need

to offer a diverse product range to avoid undue concentration, and Optimal was established in this light. However, the group life market is very competitive and it needs significant scale to deliver returns for members. Having considered its likely future growth, the Board reluctantly concluded that it was not in the Society's interest to continue to fund Optimal with no expectation of value creation for Members.

“In summary, during 2017 I am satisfied that we have recruited the right people and that the resulting team is implementing the required changes to processes and systems to support our growth strategy and to deliver long term value for members. We have built the foundation for effective distribution, supported by superior insight, and we are already seeing the results in new sales. The Society has grown in Member terms over the year and has maintained its Embedded Value.

“The importance of our people has been a theme throughout the year. I am proud of the colleagues that help me run the Society. They understand that we must serve the Membership, and when better than in a time of personal need. They understand the need for change to achieve growth, and hence value, for the Society and its members. More than that, they are dynamic, creative, collaborative, persistent and determined. They give me confidence for the Society's future, and I would like to thank them for their current and future contribution to the Society's success.”

The Resolution was proposed by Stuart Tragheim and seconded by John Holland. **The Resolution was carried** on a show of hands.

The proxy vote was 270 for the Resolution, none against and 6 withheld.

RESOLUTION 3: To approve the Directors' Remuneration Report for the year ended 31st December 2017

The Chair noted that this is an advisory vote as recommended by the Corporate Governance Code followed by the Society. The report is on page 33 of the Report of the Society's Board of Management and its Financial Statements for the year ended 31st December 2017 ('Report and Accounts').

The Resolution was proposed by Anna East and seconded by John Holland. **The Resolution was carried** on a show of hands, with one abstention.

The proxy vote was 253 for the Resolution, 10 against and 13 withheld.

RESOLUTION 4: To approve the Remuneration Policy

The Chair noted that this is an advisory vote as recommended by the Corporate Governance Code followed by the Society. The policy is contained within the Directors' Remuneration Report on page 33 of the Report and Accounts.

The Resolution was proposed by Anna East and seconded by Adrian Humphreys. **The Resolution was carried** on a show of hands; there was one abstention.

The proxy vote was 253 for the Resolution, 10 against and 12 withheld.

RESOLUTION 5: To re-elect Mr M.J. Day

The Chair explained that the elections were in line with the Society's rules as agreed with and approved by the Members during 2017. As the subject of the first of these elections Mr M.J. Day stood down as Chair and Mr K.C.W. Wiltshire took the Chair for this item.

The Chair explained that Mr M.J Day is retiring by rotation and, being eligible, offers himself for re-election for a term of one year as a Non-Executive Director of the Society. Having served more than six years on the Board, this election has been carefully considered by the Board, which supports the proposal.

The Resolution was proposed by Kevin Wiltshire and seconded by John Holland. **The Resolution was carried** on a show of hands.

The proxy vote was 63 for the Resolution, 2 against and 5 withheld.

Following the vote on Resolution 5 Mr K.C.W. Wiltshire stood down and Mr M.J. Day resumed the Chair.

RESOLUTION 6: To re-elect Mr J. Holland

The Chair explained that Mr J. Holland is retiring by rotation and, being eligible, offers himself for re-election for a term of one year as a Non-Executive Director of the Society.

Having served more than six years on the Board, this election has been carefully considered by the Board, which supports the proposal.

The Resolution was proposed by Martin Day and seconded by Kevin Wiltshire. **The Resolution was carried** on a show of hands.

The results of the proxy vote was 61 for the Resolution, 7 against and 3 withheld.

RESOLUTION 7: To elect Mr P.L. Harwood

The Chair explained that there was one new Board members, Mr P.L Harwood, who, being eligible, offers himself for election for a period of three years.

The Resolution was proposed by Martin Day and seconded by John Holland. **The Resolution was carried** on a show of hands.

The proxy vote was 57 for the Resolution, 7 against and 7 withheld.

RESOLUTION 8: To appoint, as Independent Auditor, PricewaterhouseCoopers LLP, 2 Glass Wharf, Bristol, BS2 0FR

The Chair explained that PricewaterhouseCoopers LLP had been appointed as independent auditors during 2017 following the resignation of Moore Stephens. The Board were recommending that PricewaterhouseCoopers be re-appointed for a further year.

The Resolution was proposed by Martin Day and seconded by John Holland. **The Resolution was carried** on a show of hands.

The proxy vote was 265 for the Resolution, 2 against and 7 withheld.

Any Other Business not requiring Notice of Motion

The Chair asked if anyone had any other business not requiring notice of motion.

Mr Ian Gardner, a retired Board member, noting that Mr Wiltshire was due to retire following this meeting expressed his appreciation to him on behalf of the Society's Members for the work he had done for the Society. Mr Gardner wished him well for the future on behalf of Members everywhere. These sentiments were echoed by the Board members.

There was no other business proposed.

Chair's Closing Remarks

Vote of Thanks

Echoing the earlier comments, the Chair formally thanked Mr K Wiltshire for his service to the Society, in particular noting his work as Chair of both the Investment and Audit and Risk Committee and the support he had received personally from Mr Wiltshire as Vice

Chair of the Board. On behalf of the Board, the Chair wished Mr Wiltshire well for the future.

Closure of the Meeting

There being no further questions, the Chair thanked those present for their attendance and expressed his hope that he would see them at the next AGM.

There being no further business the Chair closed the meeting at 4.30pm.

CONFIRMED.....

DATE.....