



Minutes of the Seventh Annual General Meeting of the Association of Financial Mutuals

At Crowne Plaza hotel, Stratford upon Avon,
commencing at 17.15 on 11 October 2016

1. The Chairman, Andy Chapman, opened the Annual General Meeting of the Association, and verified that there were no actions arising from the previous Meeting.

2. **Review of Progress**

The Chief Executive, Martin Shaw presented a review of the year. He confirmed that with uncertainty about AFM's future in the first half of the year, and a new membership from 1 January, members had set new priorities in January, and most of the progress reported resulted in the second half of the year.

Key outcomes included:

Issue	Outcome	Impact
Training and Development	<ul style="list-style-type: none"> • New Committee established to co-ordinate work and identify new training needs for sector 	<ul style="list-style-type: none"> • New framework being established, with clearer set of outcomes and needs-driven support to members.
Communication with regulators	<ul style="list-style-type: none"> • Continued regular engagement with PRA and FCA on a range of topics. A number of amendments by PRA to policy proposals following AFM consultation responses. 	<ul style="list-style-type: none"> • Policy amends have produced savings for all members as well as more proportionate requirements.
High standards of corporate governance	<ul style="list-style-type: none"> • High standards maintained in the Annotated Corporate 	<ul style="list-style-type: none"> • AFM reporting provides detailed analysis of

	Governance Code.	governance standards in the sector.
Working together as a sector	<ul style="list-style-type: none"> • New projects established, based on shared interests of membership in 2016 	<ul style="list-style-type: none"> • AFM negotiated much better terms for members on rating agency data licenses.
Delivering value for money	<ul style="list-style-type: none"> • Reduced external costs means work delivered at lower cost. 	<ul style="list-style-type: none"> • New constitution and priorities set
Promote the benefits of the sector	<ul style="list-style-type: none"> • Bank of England and Financial Services Act carried new clause on corporate diversity • Continued work with Treasury on Mutual Deferred Shares 	<ul style="list-style-type: none"> • Regulars must now incorporate consideration of mutuals in all aspects of their work.

3. Accounts for period to 30 June 2016 and Plans and Budget for 2016/2017

The Chief Executive explained that income had been retained in the year as exiting members had left subscriptions in AFM. Costs were reduced due to uncertainty on AFM's future in the first half, and as more work was taken in-house in the second half of the year.

The budget for 2016/ 17 showed a significant further reduction in income, despite increases in subscriptions for most. The workplan would be retained though by making active use of the accumulated reserves.

Plans for the year ahead include:

- Development support: NEDs and other audiences
- Establishing new Committees
- Exploring shared projects across members
- Lobbying on Brexit/ Mutual Deferred Shares
- More governance focus
- More promotion of health and protection
- Welcoming new members

4. Board Appointments

Jane Nelson, Vice-Chair provided a brief overview of the nomination process for the Board this year. In accordance with the constitution, members of the outgoing Board of Directors are responsible for appointing a Board for the following term.

Members were invited to apply to join the Board in January, and would remain in place until June 2017.

Eleven nominations were received for 2016/17, as highlighted in the AGM notice, and these had all been accepted by the Board.

6. Rule amendment: powers of the Board

Martin Shaw provided an overview of the proposed changes to the Board's rules, and an explanation of why it was necessary. This centred on the announcement that BHCA had approved the transfer of its membership into AFM in September.

7. Resolutions put to the AFM.

The Chairman asked the members attending to consider and approve three resolutions. The nature of the resolutions and the results are tabled below.

	For	Against	Abstain
A. to approve the composition of the AFM Board	100%		
B. to receive and approve the accounts	100%		
C. to extend the powers of the Board	100%		

27 members voted on each resolution; all resolutions were duly approved.

8. Any Other Business

There being no other business the Chairman closed the meeting at 17.45.