

**Minutes of the Fourth Annual General Meeting of the
Association of Financial Mutuals**

At the Heythrop Park resort, Oxfordshire on 16 October 2013, commencing 1715

1. The Chairman, Mark Goodale, opened the Annual General Meeting of the Association.
- 1a. Voting on resolutions would be taken via the smartphone app, though tellers were appointed as a precaution: Fiona McBain and Jane Nelson.

2. Review of Progress

The Chief Executive, Martin Shaw presented a review of the year and highlighted the progress made on the political and regulatory lobbying front in particular, as well as the other key priorities for AFM. He explained how these compared to a recent report on the attributes of an effective trade association in financial services; given as: influence, subject matter expertise, focus, cohesiveness, and cost effectiveness.

Key outcomes included:

Issue	Outcome	Impact
Mutuals and with-profits	With intensive lobbying from AFM and members, CP12/38 witnessed significant change in regulatory tone	The imminent risk to the survival of sector described in earlier FSA papers was abated, though the FCA approach remains unclear.
Corporate governance	Annotated Corporate Governance Code demonstrates consistent processes	Treasury removed threat of new governance code for mutuals Mazars review confirmed approach valid
Measuring mutuality	Oxford University project sets out ways for measuring mutuality	Mutuals beginning to assess how they add member value
Political engagement	Policy blueprint and Manifesto sets out new scope for political engagement Financial Services Bill requires PRA and FCA to measure mutual impact	Development list of initiatives we can work with Treasury to help fulfil government's support Transfers political support into tangible gain in regulatory focus
Relations with regulators	AFM now regularly involved in new regulatory developments	Better understanding of mutuals in PRA/ FCA. More proportionate regulation becoming evident
Meetings and training	AFM hosted over 30 meetings/ seminars/ conferences/ networks	Around 900 days of training and networking provided for members
Tax for mutuals	HMRC's new life tax regime mutual-friendly; Most AFM members outside scope of FATCA	New tax regime cost-neutral for mutuals; Significant burden removed
Supporting a growing mutual sector	AFM and BSA hosted dinner for CEOs on developing reciprocal business lines	A number of members now exploring potential partnerships

3. Plans and Budget for 2013/2014

The Chief Executive reported a surplus for 2012/13 in excess of that planned: this was due to robust income from Associates members and a surplus for the 2012 conference.

The current year’s budget recognises that there is no need for AFM to build up significant reserves, and as a result the budget is predicated on a small loss for the year, albeit with conservative estimates on likely income for the year. This means that member subscriptions are being held at the same levels as the previous year, and that as a way of returning some of the surplus to members, conference fees were provided below cost.

The Chairman then went on to describe the work that had been started on developing a new AFM strategy. The Board had set up a sub-group, and had agreed the new purpose statement: *To advocate the values of mutuality and through this, promote the expansion of the sector.*

The groups has begun work to identify those values and how they might relate to AFM members, as well as what key result areas will be developed.

4. Board Appointments

The Vice Chairman, Phil Loney, 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.

In accordance with best practice the AFM has moved to annual elections, and nominations this year were sought in June, and in July the Board reviewed those nominations to ensure the Board would be representative of all members.

Sixteen nominations were received for 2013/14, as highlighted in the AGM notice, and these had all been accepted by the Board.

The AFM Chairman will in future interview all new nominees to understand what contribution they might make, as well as speak to incumbent directors about their contribution.

6. Resolutions put to the AFM.

The Chairman asked the members attending to consider and approve two 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%		

18 members voted on each resolution; both resolutions were duly approved.

7. Any Other Business

There being no other business the Chairman closed the meeting at 1741.