

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

*At 30 Euston Square, London on 14 October 2014, commencing 1530*

1. The Chairman, Mark Goodale, opened the Annual General Meeting of the Association.

**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. There has been a good balance of effort across the main priorities.

Key outcomes included:

<b>Issue</b>	<b>Outcome</b>	<b>Impact</b>
Mutuals and with-profits	With intensive lobbying from AFM and members, FCA and PRA waiver processes established that are designed to help maintain capital.	The imminent risk to the survival of sector, as described in earlier FSA papers, has been abated and a practical solution developed.
Corporate governance	Annotated Corporate Governance Code demonstrates consistent processes.	New compliance website instituted to simplify process and help members itemise any required explanations.
Political engagement	Mid-term Manifesto issued, along with BSA and Co-operative. Two further research projects supported with Respublica to demonstrate the ongoing relevance of Mutuals.	Development list of initiatives we can work with Treasury to help fulfil Government's support.
Mutuals Redeemable and Deferred Shares Bill	AFM sponsored development of Bill and engaged with Treasury on content.	Revised Bill started parliamentary process, and offers prospect of new source of capital for mutuals.
Mutuals in their community	Range of AFM research captured in paper that demonstrates the broad value of mutuals to society in general.	Valuable source of evidence of the role and relevance of mutuals in support of other public affairs work.
Relations with regulators	AFM regularly involved in new regulatory developments.	Better understanding of mutuals in PRA/ FCA. More proportionate regulation becoming evident.
Meetings and training	AFM hosts an average of 3 events a month, including meetings/ seminars/ conferences/ networks.	Approaching 1,000 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 2014/2015**

The Chairman set out the need for AFM to revise its priorities: previously the core focus was on Chrysalis, which is now more a focus for individual firms and their supervisors. Providing the right forum for networking and sharing is a key benefit to members, and this will be built on further by themed dinners and meetings for members. There will also be more support for smaller organisations, whilst lower income means a more reactive approach to lobbying and regulation.

The Chief Executive confirmed that the current year’s budget reflects a significant reduction in income from member subscriptions. As AFM has built up reserves beyond that needed, the full impact of lower income is not reflected in costs. Indeed, as a basis of sharing excess reserves with members, the conference has been provided for free. Also, the Board has committed to extra project spend, whilst reducing the amount spent on fixed retainer costs.

**4. Board Appointments**

The Chairman 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.

Fifteen nominations were received for 2014/15, as highlighted in the AGM notice, and these had all been accepted by the Board.

**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%		

24 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 1557.