



Association of Financial Mutuals

AGM Pack 2020

Presented to the Annual General Meeting
13 October 2020



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About Association of Financial Mutuals and its Members

The Association of Financial Mutuals (AFM) was established on 1 January 2010. Financial Mutuals are member-owned and not-for-profit organisations, many of whom have operated for over 100 years, and the nature of their ownership, and the consequently lower prices, higher returns or better service that typically result, make mutuals accessible and attractive to consumers.

AFM currently has 46 Members and represents mutual and not-for-profit insurers, friendly societies and discretionary mutuals in the UK and Ireland. Between them, UK mutuals manage the savings, protection and healthcare needs of over 30 million people, and have annual premium income of around £20 billion. For more information, please go to www.financialmutuals.org.



Notice of the agenda of the Annual General Meeting

To be held online via Microsoft Teams, and at 7 Castle Hill, Caistor Lincolnshire, commencing at 16.00 on 13 October 2020.

Introduction

This pack is being sent electronically to CEOs of all member organisations. The pack includes the Agenda, the nominations for the Board, and a copy of the AFM constitution and AFM Accounts (to 30 June 2020), as well as the voting representation form.

Note that in this year's exceptional circumstances, we are unable to hold a physical event, and are asking members to agree to a virtual meeting. We invite members to express any concerns or objections within seven days of receipt of this pack.

Voting

As per the agenda below, the AGM is asked to approve the membership of the Board for the next 12 months, and to approve the Financial Statements for the year to 30th June 2020.

As per Rule 11 of the AFM constitution, each member organisation selects an individual to vote, with the number of votes cast set at one-member-one-vote.

If the Chief Executive of a member is unable to attend, the company should complete the representation form attached to nominate another individual from that organisation. Members can also ask the Chair to vote on their behalf.

Other Business

No member has proposed any special business. Please contact martin@financialmutuals.org before the AGM if you plan to raise any other issues.

Minutes

Minutes of the AGM will be taken and distributed to the members after review by the Board. A copy of last year's minutes is provided below.



Annual General Meeting 2020: Agenda

To be held online and at 7 Castle Hill, Caistor, Lincolnshire, LN7 6QL, commencing at 16.00 on 13 October 2020.

Agenda

- | | | | |
|----|---|---|-----------|
| 1 | Opening of the eleventh Annual General Meeting of the Association of Financial Mutuals | Chair to open AGM and make general introductions, and appoint tellers | 2 minutes |
| 1a | To receive minutes of the tenth Annual General Meeting | Chair to identify any actions arising | 1 minute |
| 2 | Review of progress | CEO to provide an update on activity | 5 minutes |
| 3 | To receive the statutory Report and Accounts for period ending 30 June 2020 | Chair to present accounts for approval by a show of hands | 2 minutes |
| 4 | Plans and budget for 2020/21 | Chair and CEO to talk through future plans | 5 minutes |
| 5 | Board appointments | Chair to confirm the nominations process and seek approval of the membership of the Board | 3 minutes |
| 6 | Any other tabled business/ closing | Chair to deal with any special business and close the AGM | 2 minutes |



AGM Voting Representation form

This form should be used if the CEO is not present or is unable able to vote at the AGM.

AFM member company name:

Please select either box below:

I appoint the Chairperson to vote on my behalf.

The following individual has been nominated to vote on my behalf at the AGM:

Name:

Position:

Signed: (CEO)

Please forward this form in person or by e-mail to Martin Shaw (martin@financialmutuals.org) at least 72 hours before the start of the AGM.



Minutes of the tenth Annual General Meeting Of the Association of Financial Mutuals

At the DoubleTree by Hilton Hotel, Milton Keynes
commencing at 16.50 on 14 October 2019

1. The outgoing Chairman, Andy Chapman, opened the Annual General Meeting of the Association, and verified that there were no actions arising from the previous Meeting. He indicated though that as feedback from a member after the previous AGM indicated AFM should retain a register of attendees, this was being introduced for 2019, as attached below.

Tamasin Laroque-Fathers and Martin Shaw of AFM were appointed as tellers.

2. **Review of Progress**

The Chief Executive, Martin Shaw presented a review of the year. He confirmed that AFM was actively working against a set of six priorities, which he reported on to the Board on a quarterly basis. The production of an Operational Report this year, which had been circulated to all Societies, provided more extensive detail of the range of work undertaken by AFM's broadened Committee structure.

In his assessment, the range of outcomes reported this year offer tangible substance to members, which include:

- Further growth in membership
- Extensive regulatory engagement with tangible benefit to members
- New AFM Corporate Governance Code launched
- Wider range of events for AFM members, and significant increase in attendees
- Leadership development programmes, extended with Masters' programme
- AFM memberships of AMICE and ICMIF help us improve our understanding of global trends
- Substantial increase in press coverage during 2019
- Updated AFM website, with extra functionality

3. **Election of Board Directors**

Andy Chapman provided a brief overview of the nomination process for the Board this year. There were 10 candidates, and as the constitution provides for a maximum of 11 Board Directors, it was proposed that all 10 become Directors.

Members were invited to confirm the Board for the next 12 months by a show of hands, and as a result the following were appointed to the Board:

- Marc Bicknell
- Kathy Byrne
- Elaine Fairless
- Peter Green
- Paul Hudson
- Chris Kenny
- Jane Nelson
- Mike Perry
- Russ Piper
- Stuart Tragheim

The resolution to approve the nominations for Board Directors was passed unanimously.

The Board had previously proposed that, subject to their election, Jane Nelson become Chair and Stuart Tragheim Vice-Chair. Following the resolution therefore both took up their posts as Officers of AFM, and Jane Nelson conducted the remainder of the meeting as incoming Chair.

4. **Accounts for period to 30 June 2019 and Plans and Budget for 2019/2020**

Jane Nelson set out the final position at the end of 2018/19, and reported that the Board had planned for a deficit in light of AFM's changed circumstances, but that the final position had been much more positive than planned, with a surplus of £11,000.

She confirmed that the budget for 2019/20 provides a small increase in income as a result of enlarged membership, and that the Board had approved increased project spending, and as a result was committed to making active use of the accumulated reserves.

The resolution to approve the Accounts for the year ended 30 June 2019 was passed unanimously.

Martin Shaw confirmed that the plans for the year ahead include:

- AFM Charter: to finalise and launch with members
- AFM@10: projects to celebrate AFM's tenth anniversary
- Embedding the AFM Corporate Governance Code with members
- Work to consider how regulation might evolve post-Brexit
- Increase funding for PR work
- Further leadership support
- More forums and online training support
- Sustainable mutual insurance
- More meaningful political engagement
- Further support on Access to Insurance

5. **Changes to the AFM Constitution**

Jane Nelson summarised a number of proposed changes to the AFM Constitution:

- To reflect new corporate governance code (rule 2)
- To clarify membership criteria (4)
- To update AGM role as per current practice (8, 15)
- To resolve ambiguity on length of service of directors (16)

The resolution to agree amendments to the AFM constitution was passed unanimously.



6. **Any Other Business**

There being no other business the Chairman closed the meeting at 17.30.

Register of attendees

There were 29 attendees present at the AGM, of whom 25 were eligible to vote, with one further member having provided a proxy for the Chair:

Mark Macmanaman, Anglo Saxons
Bob Hodgetts, Bus Employees
Paul Hudson, Cirencester Friendly
Elaine Fairless, Compass Friendly
Nigel Silby, Compass Friendly
Paul Walsh, CUNA
David Thompson, DG Mutual
Les Marshall, Education Mutual
Peter Green, Healthy Investment
Stuart Tragheim, Holloway Friendly
George Jones, IPB
Ben Pears, Kingston Unity
John Gilbert, M&G Advisory
Chris Kenny, MDDUS
Kathy Byrne, Metfriendly
Chris Kenny, MDDUS
Jonathan Long, National Friendly
Mike Perry, PG Mutual
Marc Bicknell, Railway Enginemen's
Jim Galbraith, Scottish Friendly
Paul Galloway, Sheffield Mutual
Ann-Marie O'Dea, Shepherds Friendly
Sam Chivers, Shepherds Friendly
Russ Piper, Sovereign Health Care
Andy Chapman, The Exeter
Gary Morley, The Oddfellows
Jane Nelson, The Oddfellows
Ali Ramezankhani, Transport friendly
Raman Sankaran, Veterinary Defence Society



Nominations for election to the Board, 2020/21

The following 11 individuals have been nominated by their society to stand as AFM Directors. Current AFM Board members are shown in blue below, with new nominations in green.

- Marc Bicknell, Railway Enginemen's Assurance
- Kathy Byrne, Metfriendly
- Elaine Fairless, Compass Friendly Society
- Peter Green, Healthy Investment
- Paul Hudson, Cirencester Friendly Society
- Gordon Hull, British Friendly
- Chris Kenny, MDDUS
- Jane Nelson, The Oddfellows
- Mike Perry, PG Mutual
- Russ Piper, Sovereign Health Care
- Stuart Tragheim, Holloway Friendly Society

The constitution allows for a maximum of 11 Board Directors. At the end of 2019/20 there were no Directors that had served more than nine years, and none that had stood down from their CEO role during the year.

The AFM Nominations Committee therefore proposes that as there are 11 candidates, all are appointed to the Board, and that the AGM is asked to approve the overall composition.

Members will be asked during the AGM to agree the composition of the Board in its entirety.

You can view biographies of all the candidates below.



AFM Officers

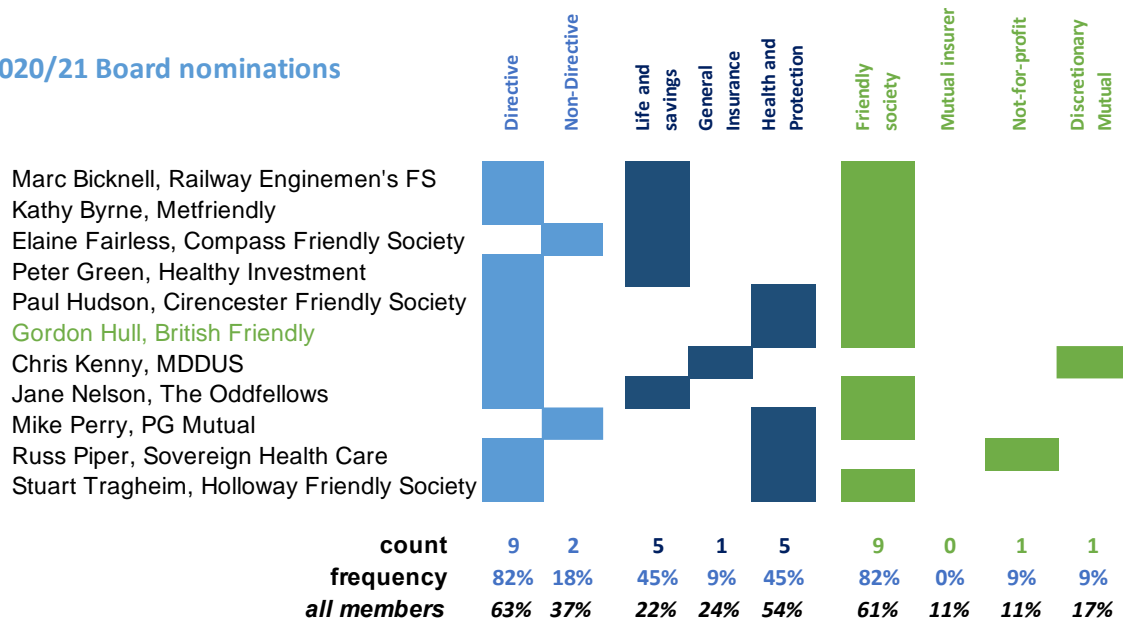
Under the constitution, the Board elect officers from amongst themselves, and subject to successful re-election, have agreed to renew the appointments of:

- Chair: Jane Nelson, The Oddfellows
- Vice-Chair: Stuart Tragheim, Holloway Friendly Society



Biographies of the nominees

2020/21 Board nominations



Marc Bicknell,
Railway Enginemen's Assurance

Marc was appointed as Chief Executive designate at Railway Enginemen's Assurance Society in October 2016 and was formally appointed to the substantive Chief Executive role in February 2017, following the granting of regulatory approval. He previously served as a non-executive director on the Management Committee at Railway Enginemen's between January 2016 and October 2016. Marc is a Chartered Accountant by profession and has substantial senior management and board level experience. Prior to joining the Society Marc worked on external audit and internal audit roles, initially with PricewaterhouseCoopers, where he qualified and latterly in the public sector. Whilst at PwC, he worked on a number of financial services engagements, including Norwich Union and Royal London and also carried out a number of pension scheme audits. His involvement in the friendly society sector goes back many years and Marc previously served as a non-executive director of Druids Sheffield Friendly Society prior to its transfer of engagements to the Oddfellows. At Railway Enginemen's, alongside his Chief Executive role, Marc also lead on compliance and secretarial matters and business development. Marc is enthusiastic about mutuals working together in the interests of their members and would see membership of the AFM Board as a means of strengthening relationships, particularly between the smaller societies.



Kathy Byrne

Metfriendly

Kathy Byrne is CEO of Metfriendly, which offers members of the police family the opportunity to provide for their future financial security through education, information and fair value products. Metfriendly currently has 16,000 members and assets under management of £200m.

A qualified actuary, she has 35 years' experience in the financial services sector with extensive actuarial, technical and risk management knowledge spanning life insurance, general insurance and savings.

A published author, Kathy's book "Where Have My Savings Gone?" empowers savers to safeguard their savings against financial meltdown and get better rates on their cash savings. Since opening her first savings account at the age of 16, she has held savings and with-profit policies with mutuals.

Kathy has an MBA from Henley Management College. She has served on the Institute and Faculty of Actuaries Council and has been involved in a number of the profession's working parties including the Diversity Advisory Group and Co-Chair of the Behavioural Finance For Actuaries working party.

She is a Non-Executive Director and shareholder of Alpasión Vineyard in the Uco Valley, Mendoza, Argentina, producing a range of premium wines. This venture resulted from a group of likeminded individuals from Insead's Challenge of Leadership course getting together to challenge the status quo and develop a long-term business they could all enjoy together.

Outside the office Kathy is a keen skier and enjoys playing golf in her spare time.



Elaine Fairless

Compass Friendly Society Limited

Elaine has long experience of the financial mutuals sector ranging from larger insurance mutuals to the very smallest friendly societies both as an employee and a consultant.

Her technical experience covers actuarial matters, risk, business planning, compliance and regulation. Elaine is currently Chief Executive of Compass Friendly Society and managing director of E D (Financial) Limited - a small actuarial and management consultancy. As well as being a Board member of AFM, she chairs the AFM Tax Committee and is a member of the Development and Conference Committee, and was formerly on the board of the AFS. Elaine is an associate of the Institute of Actuaries.

"I strongly believe in the mutual ethos and support the survival of both small and large mutuals in order to provide consumers with choice. I believe that my experience and skills mean that I could contribute to AFM board discussions at all levels and in particular ensure the voice of the smaller mutual is given sufficient weight and consideration."



Peter Green

Healthy Investment

Following an early career in banking, Peter joined Bolton & District Hospital Saturday in 1994, as Secretary / Organiser, a role subsequently retitled Chief Executive.

At the specialist healthcare cash plan provider, now known as UK Healthcare, Peter oversaw a period of transformation including a governance restructure, accreditation as an Investor in People organisation and the purchase of an independent medical insurance brokerage. Throughout his time at the not for profit insurer Peter served on the Executive Committee of the British Health Care Association.

In 2006 Peter joined Healthy Investment as Chief Executive. During his time at the Society he has continued to grow the Society, navigate regulatory change and improve efficiency.

Prior to its merger in 2009 Peter served on the Board of the Association of Friendly Societies and is currently a member of the AFM Training and Conference Committee.

Peter has an MBA focused on small business, is a past president of Bolton & Bury Junior Chamber of Commerce and is Chair and Trustee of The Simeon Centre, a local mental health charity.



Paul Hudson

Cirencester Friendly Society

Paul joined Cirencester Friendly Society as Chief Executive in February 1997 and celebrated 23 years' service in 2020. During that time Paul has overseen the successful expansion of the Society from £25M with 13,000 members and 6 staff, to £154M with over 40,000 members, close to £20M premium income and 79 staff at the end of 2019. Away from work Paul is a family man with 3 grown up children Paul and enjoys all things motorsport, cycling, reading and attempting to play the guitar.

Paul has spent his entire working career in the Mutual Sector starting work at the Shepherds Friendly Society in 1974 achieving the role of Assistant General Secretary before leaving and taking up the post of Chief Executive at Nottingham Friendly Society Limited in 1989 until 1997. A Fellow of the Institute of Chartered Secretaries and Administrators since 1994, Master of Business Administration since 1997 and Member of the Chartered Institute of Securities and Investments from 2011.

At Trade Body level Paul served as a Board Member of the Association of Friendly Societies (AFS) 2005-2009 and was honoured to be elected President of the Association in 2009. Following the merger of the AFS with the Association of Mutual Insurers in 2010 Paul continued to serve the sector as a Director of the Association of Financial Mutuals representing the Committee for Smaller Friendly Societies and Mutuals. Paul retired from the AFM Board in 2012 before re-joining the newly reformed AFM in 2016 to support its restructuring and development,



following the departure of some of the larger providers earlier in 2016. He is currently also serving on the AFM Health and Protection Committee.

During his 46-year Friendly Society career Paul has always been a keen advocate of the smaller mutual because he believes they represent the 'grass roots' of the sector and offer an alternative to the bigger players in the market. Over the years he has also served as Chairman of the Holloway Friendly Societies Group and has been associated with a number of other forums keenly representing the interests of smaller providers in the market.



Gordon Hull
British Friendly

Gordon joined the Board of British Friendly in July 2019 with over 25 years' experience of developing businesses in the financial services sector. He has held leadership positions in insurance, consumer investment and financial advice businesses including Wesleyan, Virgin Money, AXA and Bestinvest.

Gordon is a Cambridge economics graduate and INSEAD MBA and brings particular expertise in strategy and commercial development, marketing and digital innovation. In addition, Gordon is a Trustee and member of the Income & Investment Committee of the RCN Foundation, a leading charity championing nursing, and a member of the Remuneration Committee of the Royal College of Nursing Group.

Gordon lives in east London with his wife and three teenage children and enjoys spending time travelling, learning about history, listening to music and occasionally bingeing on box-sets.



Chris Kenny
MDDUS

Barnsley born and bred, Chris started his career in the Civil Service in 1984 after graduating in English from University College, Oxford. Over the next 16 years, he worked on a variety of health policy, consumer and operational and was Principal Private Secretary to the Secretary of State. He also spent two years in the Treasury working on economic reform in the Former Soviet Union and Eastern Europe.

In 2000, he passed to the regulatory dark side as initially Director of Regulatory Policy and then Director of Compliance for Oftel, involved in price capping broadband and mobile call termination and introducing the world to the joys of competition in directory enquiries. He was redeemed by moving to the ABI as Head of Life (later renamed as Director of Life Insurance and Pensions, which, while more accurate, lost a certain something on the way), amongst other things leading the industry input and response to the Turner Commission. As a consultant thereafter, he and Lord Hunt of Wirral reviewed the Financial Ombudsman Service in 2007 and he led work on creation of the Legal Services Board, the over-arching regulator of legal services,



becoming its inaugural CEO in 2008, with a mission to introduce Alternative Business Structures and making regulation work for public rather than professional interest.

He became Chief Executive of MDDUS in 2015, a role which pulls together his past health, insurance, regulation and legal experience, as it defends its members in regulatory actions as well as considering negligence claims.

In addition to this, he chairs the Advisory Panel on legal Regulatory Affairs of the Astana International Financial Centre in Kazakhstan, is an independent Board member at Sheffield Hallam University and a Trustee of Historic Churches Scotland. He has two (supposedly) grown-up children and lives between Glasgow and London, which is not ideal for indulging a passion for rugby league.



Jane Nelson

The Oddfellows

Jane joined the Oddfellows in 1995 as Financial Controller and joined the Board of Directors in May 2000 after being appointed as Secretary of the Order. In October 2007 she was made Finance Director. She was appointed as Chief Executive Officer on 16 July 2012 after being appointed as Acting CEO in March 2012.

Qualifying as an Accountant in 1991 she is a Fellow of both the Association of Chartered Certified Accountants as well as the Chartered Institute of Management Accountants. Prior to joining the Society, Jane worked in a variety of Finance roles in the industrial sector thus gaining a wide range of experiences. She has been a member of the Institute of Directors (IoD) for seven years and during 2011, studied for and took the exams for the Certificate level and Diploma level of the Chartered Director examinations, both of which she passed with distinction. She was also awarded the IoD's Institute prize in 2011 for outstanding performance in the 2011 examinations after achieving the highest examination score in the UK.

She was delighted in 2013 to be nominated for Cheshire Woman of the Year for professional achievement. In 2015 she did a tandem sky dive from 15,000 feet for Parkinson's UK and raised over £13,500.

She has been involved with the Manchester Unity Housing Association and the MU Pension Scheme since 1995 and has served as Company Secretary to both these organisations since 1998. She served on the Board and as Treasurer of the Manchester Unity Credit Union from 2000 – 2008 relinquishing the post of Treasurer in September 2012. Within the Society, Jane is an active member of the Stockport District of the Oddfellows serving as its Chairman in 2003 and again in 2010, and has served as Trustee of the Branch since November 2003.

In her spare time, she enjoys travelling and spending time with her family, when Covid allows, including her four grandchildren, which now include a granddaughter too!



Mike Perry
PG Mutual

Mike has over twenty-five years' experience in financial services, having worked with large corporate organisations as well as being a successful consultant within the Mutual sector. He previously held a variety of senior management and Board roles in Sales and Marketing with the Skipton Building Society Group. As a consultant, Mike worked with a number of Building Societies to assist in increasing business and staff development, within a regulated environment.

Mike joined PG Mutual as CEO in 2011, overseeing the rebrand of the business which resulted in subsequent business development across a wider professional market. This has, in turn, seen record membership figures achieved by the Society, and a substantial increase in assets. Mike was delighted to be nominated for the Hertfordshire Business Awards' 'Business Person of the Year', and 'Judges' Award' in 2013. Mike was the Chairman of the Friendly Society Collective in 2014 & 2015.

PG Mutual recently enjoyed live ITV 4 coverage after sponsoring the National Table Tennis Championships.



Russ Piper
Sovereign Health Care

Russ has worked in the financial services industry for over 34 years, in a variety of roles including Operations, Sales and Marketing and for the last 11 years as Chief Executive of Sovereign Health Care.

His early career at Irish Life gave him experience in the life, pensions and investment areas through both Appointed Representatives and Independent Financial Advisers. With three years being spent at Hansard Financial (Liberty Life) and Eagle Star Financial Advisers, Russ experienced the world of Direct Sales on both an employed and self-employed basis before becoming a Regional Manager at Liverpool Victoria responsible for the collection of premiums and member service in their Industrial Branch division.

Russ worked North of the Border for Scottish Legal Life in his first director position as Director of Sales, and then after a short period of management consultancy joined Leeds Hospital Fund (LHF Healthplan) which was part of the emerging Simplyhealth group. Over 4 years' experience with cash plans at Simplyhealth allowed Russ to join his current employer, Sovereign Health Care as Sales and Marketing Director in 2006 and then become Chief Executive in 2009.

Russ is married with two grown up children, a carer for his eldest son, and enjoys a variety of sports and has a real passion for music, particularly his ever-growing vinyl record collection.



Stuart Tragheim
Holloway Friendly Society

Stuart has worked in the financial services market for over 35 years in a range of strategy, leadership and business development roles. He is a senior strategy and business development professional and general manager in financial services and has worked with life offices, friendly societies, reinsurers, retailers, banks, building societies and

distribution/advice businesses.

In addition to this, Stuart worked at the ABI for nearly five years, in both policy and leadership roles. He led the Raising Standards initiative and spent a considerable amount of time negotiating with both the FSA and the European Commission. He is used to negotiating policy issues with regulators and to supporting the insurance market to maintain high ethical standards.

He joined Holloway in June 2016 as CEO and has driven the development and implementation of a new successful growth strategy for the business, resulting in a significant increase in membership and new business.

Stuart has considerable Board, ExCo and Management Committee experience and contributes regularly to industry wide developments. He is Vice Chair of the Association of Financial Mutuals, a member of the PRA Practitioner Panel Insurance Sub-Committee, a member of the ABI Protection Board and a Board member for ILAG.



Associated Documents

AFM accounts, 2019/20

The AFM report and accounts for 2019/20 is attached as a separate document.

AFM constitution

The AFM constitution is available to view online via [this link](#).

Technical note on the AFM Constitution

The Association of Financial Mutuals is an unincorporated association and not registered or incorporated under any statute such as the Companies Act or the Co-operative and Community Benefit Societies Act.

The constitution operates as a simple contract between the members and is not affected by any particular statute, including the Corporate Insolvency and Governance Act. The constitution requires us to nominate a place where we hold the AGM, and this year we have established that as the AFM office. Whilst there is no statutory or constitutional requirement on us to require a specific number of persons present, we have asked members to agree that the meeting can be held virtually this year.