



Association of Financial Mutuals

AGM Pack 2021

Presented to the Annual General Meeting
4 October 2021

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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 43 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 at the Majestic Hotel, Harrogate, commencing at 10.00 on 4 October 2021.

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 Accounts (to 30 June 2021), as well as the voting representation form.

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 2021. We are also proposing some changes to the AFM constitution.

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 at the Majestic Hotel, Harrogate, commencing at 10.00 on 4 October 2021.

Agenda

1	Opening of the twelfth 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 eleventh 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 2021	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	2 minutes
6	Changes to the Constitution	The Chair will set out proposals to amend the AFM constitution	2 minutes
7	Any other tabled business/ closing	Chair to deal with any special business and close the AGM	1 minutes



AGM Voting Representation form

AFM AGM 2021

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 eleventh Annual General Meeting Of the Association of Financial Mutuals

Meeting held virtually by Microsoft Teams, commencing at 16.00 on 13 October 2020

1. The Chair, Jane Nelson, opened the Annual General Meeting of the Association, and verified that there were no actions arising from the previous Meeting.

Martin Shaw confirmed that the meeting had achieved quorum (50% of members present), a list of attendees is included 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 Operational Report, which had been circulated to all Societies, provided more extensive detail of the range of work undertaken by AFM and its Committee.

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

- AFM Corporate Governance Code went live
- Engagement with PRA and FCA continued to improve proportionality
- AFM climate change template issues
- Over 1,000 attendees to AFM events in 2019
- Liaison with Government and regulators on Covid measures for mutuals
- Significant increase in press coverage
- New development programmes launched for staff and NEDs

3. **Accounts for period to 30 June 2020 and Plans and Budget for 2020/2021**

Martin Shaw set out the final position at the end of 2019/20, and reported that the Board had planned for a deficit in order to allocate increased spend to projects, but that with the onset of the pandemic, much project work was ceased, and the final position had been a surplus of £15,000.

He confirmed that the budget for 2020/21 reflected significant changes in AFM's capacity to generate income, and the desire to catch up work on a range of projects. As a result, the Board was keen to make active use of the accumulated reserves, in projecting a deficit of £75,000.

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

- AFM@10: continued work on the project 'a mutual message for the masses
- Post-Brexit regulation
- ESG reporting and sustainable investing
- Embedding the AFM Corporate Governance Code with members
- 'Developing our team' leadership training
- Online training support
- Remuneration survey
- Corporate diversity- business ownership project
- AFM Connect: to replace Conference
- Wider industry activity

4. **Election of Board Directors**

Stuart Tragheim provided a brief overview of the nomination process for the Board this year. There were 11 candidates, and as the constitution provides for a maximum of 11 Board Directors, it was proposed that all 11 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 | • Chris Kenny |
| • Kathy Byrne | • Jane Nelson |
| • Elaine Fairless | • Mike Perry |
| • Peter Green | • Russ Piper |
| • Paul Hudson | • Stuart Tragheim |
| • Gordon Hull | |

The Board had previously proposed that, subject to their election, Jane Nelson become Chair and Stuart Tragheim Vice-Chair.

5. **Resolutions**

Jane Nelson invited the AGM to vote, via a show of virtual hands, on the two resolutions:

- **The resolution to approve the nominations for Board Directors was passed unanimously.**
- **The resolution to approve the Accounts for the year ended 30 June 2019 was passed unanimously.**

6. **Any Other Business**

There being no other business the Chairman closed the meeting at 16.25.



Nominations for election to the Board, 2021/22

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.

- Bob Andrews, Benenden Health
- Marc Bicknell, Railway Enginemen's Assurance
- Elaine Fairless, Compass Friendly Society
- Peter Green, Healthy Investment
- Paul Hudson, Cirencester Friendly Society
- Chris Kenny, MDDUS
- Jane Nelson, The Oddfellows
- Teddy Nyahasha, OneFamily
- 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 2020/21 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.



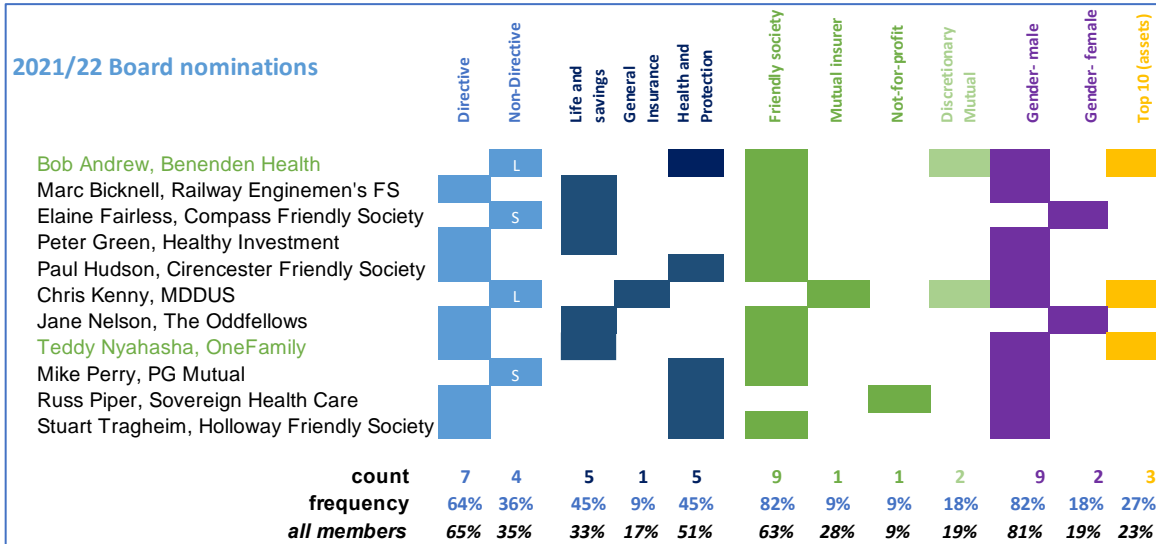
AFM Officers

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



Bob Andrews Benenden Health

Bob has over 30 years in Financial Services operating at senior levels, including within RBS/ NatWest and Direct Line Group. Formulative years were spent in sales, claims operations, customer service and strategic delivery. Bob was part of the team that prepared Direct Line for separation from RBS Group and launch of its Initial Public Offer.

Most recently Bob has worked in the mortgage market, as CEO at Capital Home Loans and Landmark Mortgages Limited. Prior to this he has been COO at HML, part of Skipton Building Society, and undertook a senior role at UK Asset Resolution to sponsor a major change programme enabling the sale of the Operating Company of that business.

Bob has a wealth of experience at main Board and across the Financial Services sector, including within General Insurance and banking. Bob has significant business transformation experience and international experience both through outsourcing and as Operations Director for the European arm of RBS Retail.

Bob joined Benenden Health in December 2017 as CEO and has led the Society in the improvements made to colleague engagement, the control environment, brand and proposition development, member growth and strategic planning.

Bob lives in North Yorkshire with his family and runs a smallholding.



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 leads 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.



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 will celebrate 25 years' service in 2022. During that time Paul has overseen the successful expansion of the Society from £25M with 13,000 members and 6 staff, to £172M with over 43,000 members, close to £22M premium income and 86 staff at the end of July 2021. Away from work Paul is a family man with 3 grown up children Paul and enjoys

cycling, reading, and has recently enrolled in the Open University to study a BA in Creative Writing and English Literature.

Paul has worked within the Mutual Sector since 1974 holding various roles in a number of different Friendly Societies. 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.

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.

During his 47-year Friendly Society career Paul has always been a keen advocate of smaller mutual providers because he believes they represent a 'real' alternative to much larger proprietary providers 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.



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.

Jane has also sat on the Finance and Investment Sub-Committee of the charity, Natasha Allergy Research Foundation (Natasha's) since late 2020. The Foundation was set up to fund cures into pioneering research to change the lives of those living with allergies.

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



Teddy Nyahaha
[OneFamily](#)

Teddy was appointed Chief Executive Officer of OneFamily on 1st January 2020, having previously held the role of Chief Finance Officer since joining the Group in 2016.

During his tenure as a member of OneFamily's Executive Team, Teddy has been instrumental in critical strategic decisions which led to greater organisational efficiency, strong performance and a reinforcement of member-focused values.

Prior to his work at OneFamily, Teddy gained his extensive range of experience across a number of organisations, each time bringing a mixture of technical efficiency and leadership values to his roles. He has a strong track record of delivering results within start-ups and global multi-billion-pound organisations including household names Royal London and Aviva. In addition, Teddy has experience in policyholder and customer protection from his work at the former industry regulator the Financial Services Authority. Teddy has led diverse teams across different countries and cultures and has been accountable for multi-million-pound budgets, empowering people to deliver business growth.

Teddy is a qualified Chartered Accountant, a Certified Financial Risk Manager and has an MBA from the London Business School. He's also proud to sit on the Board of Trustees for St Mungo's, a charity that tackles homelessness and rebuilds lives.



Mike Perry

PG Mutual

Mike has over thirty-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 several Building Societies to assist in corporate planning, new business strategy, mentoring and staff development, within a regulated environment.

Mike joined PG Mutual as CEO in 2011, overseeing the rebrand of the business while also introducing technology with a front-end quote engine and application process 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 over the past 10 years.

Corporate Social Responsibility (CSR) is a passion of Mike's, and this has now been embedded into the PG Mutual business structure with a CSR committee and Corporate Planning.

Mike has also been a past Chairman of the Friendly Society Collective.



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 ABI Protection Board and a former member of the PRA Practitioner Panel Insurance Sub-Committee and a former Chair of ILAG.



Changes to the AFM Constitution, regarding membership and Directors

The AFM Board proposes changes to two of the rules within the constitution.

The effect of the change to Rule 2 would be to make AFM relevant to organisations who are committed to high standards of governance, but who are unable to apply the AFM Corporate Governance Code.

The effect of the change to Rule 15 would be to enable the AFM Board to become more diverse, and for the Board to accept nominations from emerging leaders within the sector.

The proposed revisions are shown below:

Rule 2: Qualification for admission as a member

“AFM members are ~~also~~ expected to demonstrate a strong commitment to doing the right thing for their customers, in obeying the law, and in maintaining a compliant culture, including via high standards of corporate governance ~~by, where appropriate, applying~~ for which the AFM Corporate Governance Code provides a sector-specific interpretation of good practice. Where a member does not adopt the AFM Code, their Board is expected to be able to demonstrate that it is using a comparable alternative Code and/or can satisfy itself that it is operating in the best interests of members and in the long-term success of the organisation”.

Rule 15: Nomination of Board of Directors

“Only a Chief Executive or an Executive of a ~~m~~Member of AFM may serve as a member of the Board of Directors, and only one individual from any Member can be a Director at one time.”



Associated Documents

AFM accounts, 2020/21

The AFM report and accounts for 2020/21 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.