

**Shepherds  
Friendly**

Your modern mutual

# 2017

## Annual General Meeting

### **Minutes & Results**

Tuesday 27th June 2017 - 5.30pm

[www.shepherdsfriendly.co.uk](http://www.shepherdsfriendly.co.uk)

# Attendees from Shepherds Board of Management

Joanne Hindle (Chairman)

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Ann-Marie O'Dea

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Nemone Wynn-Evans

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Geoff Ross

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Simon Pashby

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Roger Turner

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Justine Morrissey

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Kim Harris

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Tim Robertson (Company Secretary)

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The meeting was quorate.

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**2017**  
**Annual General Meeting**

# The Chairman welcomed everyone to the 191st Annual General Meeting of the Shepherds Friendly Society.

## The meeting notice was read by the Company Secretary.

### The Chairman addressed the meeting with the following;

With the implementation of the European Union's Solvency II Directive, 2016 saw a year of significant change for the United Kingdom insurance industry, with the sector operating under a new prudential regulatory regime.

The Solvency II Directive has led to the implementation by the UK Regulators of a new approach to the approval and control of those responsible for running financial service businesses. This, in our case, is known as the Senior Insurance Managers' Regime (SIMR). The fundamental difference to what has gone before is that Senior Managers and other key function holders will be subject to personal regulatory or legal punishment, should they be found guilty of knowingly behaving irresponsibly in managing the business. All Board Members were successfully transferred into the Senior Insurance Managers' regime, and their terms and conditions of appointment are available for inspection.

All of the Society's Board of Management now comply with a defined set of conduct standards, and I am pleased to report that two new Board Members were recruited in 2016 to ensure that the allocation of all the necessary responsibilities has been achieved.

In my last report I reported that following on from threats to global recovery identified in 2015, investment markets would in 2016 continue to have a turbulent year. Market Risk is a material risk the Society faces, and indeed 2016 has been a year of both extraordinary and tragic events.

In addition to the two main 'shocks' i.e. the UK vote to leave the EU, and Donald Trump winning the US Presidential election, we have seen:-

- in February, stock markets around the world falling sharply;
- terrorist attacks in France and Germany, which highlighted the continued danger from Islamic extremists;
- in Italy, the oldest bank in the world being rescued by a state bail out, and a failed referendum on political reform;
- concerns at the beginning of 2016 on the slowing Chinese economy;
- falling commodity prices, and fears of a global recession; and
- sterling weakening by 20% in the year.

Despite all the market shocks in 2016, we saw at year end stock markets around the globe at close to new highs, with commodity stocks performing strongly. The FTSE100 ended at 7142.83, compared with 6242.32 at the end of 2015, an increase of 14%.

However, as we look out into 2017, politics looks as if it will continue to dominate. BREXIT negotiations, the UK election, European elections in France, Norway and Germany, and a new US President are all likely to complicate the outlook, and we should be prepared for more volatility in the months to come.

The Shepherd's long term insurance fund is invested across a range of asset classes. The fund as a whole achieved a pleasing return of 9.5% for 2016.

The Society has continued to make good progress over the past twelve months, and continues to be financially strong. Therefore, it gives me great pleasure to confirm that this has meant that we have been able to award Members an annual bonus for the fourteenth consecutive year.

One of the key areas of focus for 2016 has been on Market Risk, and whether our current investment policies were aligned with our risk appetite and insurance liabilities. To allow for greater focus there has been a change within the Society's governance framework with the formation of an Investment Committee.

As part of our investment objectives, we have considered how our portfolios are invested, ensuring we try and obtain returns sufficient to enable the Society to meet Members expectations by maintaining bonuses at competitive rates.

Another material risk the Society faces is New Business Risk, and I am pleased to confirm that in 2016 new business increased to a record 6,717 plans and allowances generated from these plans, together with income from investments exceeded the amount required to cover operating expenses by 37%. Allowances being the value released from premiums written to cover all the operating expenses of the Society plus profit.

In terms of generating and preserving value for our Members it is essential that the Society manage the material risks it faces successfully.

Since day one, the Society has acted in the best interest of its Members in everything we do, because we belong to them. As we celebrate over 190 years since the formation of Shepherds Friendly, this remains the case. Mutuality remains the basis upon which the Society operates and we have a strict set of values that we believe help us to provide our Members with the best products and services we can offer.

In deriving a set of values that form the basis of our society, we listened to the people who matter the most - our members and our staff. These being:-

- To remain mutual acting at all times in our members interests
- To provide products that our members value
- To provide an individual experience for every member
- To be a place where people want to work
- To ask, listen and respond
- To remain focussed on evolving our technology to meet the changing needs of our members

Finally I would like to thank the executive team, senior management and staff for their dedication to our Members throughout 2016, and for their hard work which has been a critical factor in what has been a very successful year.

The Chairman then moved to the formal business of the day, and thanked the independent Scrutineer Mr Barry Smith. Barry Smith had attended the Registered Office, and had witnessed and verified the opening and recording of individual and proxy votes.

## Resolution 1:

To receive the Annual Accounts for the financial year ended 31st December 2016, the Report of the Board of Management and the Auditors' Report.

**Proposed by N Wynn-Evans**  
**Seconded by G Ross**

With no questions on the Report and Accounts coming from the floor, the Chairman asked for a formal vote on the acceptance of resolution number 1.

**The result of the voting was:**

	FOR	AGAINST
Chairman's Proxy	747	0
Members votes received	296	14
<b>TOTAL</b>	<b>1,043</b>	<b>14</b>
Votes withheld	18	

The Chairman declared resolution 1 carried by **1,029** votes.

## Resolution 2: Appointment of Auditors

To re-appoint Moore Stephens as Auditors of the Society until the conclusion of the next Annual General Meeting.

**Proposed by S Pashby**  
**Seconded by R Turner**

**The result of the voting was:**

	FOR	AGAINST
Chairman's Proxy	747	0
Members votes received	276	27
<b>TOTAL</b>	<b>1,023</b>	<b>27</b>
Votes withheld	25	

The Chairman declared resolution 2 carried by **996** votes.

## Resolution 3: Board Appointment

That Mrs Joanne Hindle be re-elected as a Non-Executive Director of the Society.

**Proposed by G Ross**

**Seconded by A M O'Dea**

**The result of the voting was:**

	FOR	AGAINST
Chairman's Proxy	747	0
Members votes received	279	24
<b>TOTAL</b>	<b>1,026</b>	<b>24</b>
Votes withheld	25	

The Chairman declared resolution 3 carried by **1,002** votes.

## Resolution 4: Board Appointment

That Mr Geoffrey Ross be re-elected as a Non- Executive Director of the Society.

**Proposed by J Hindle**

**Seconded by J Morrissey**

**The result of the voting was:**

	FOR	AGAINST
Chairman's Proxy	747	0
Members votes received	252	47
<b>TOTAL</b>	<b>999</b>	<b>47</b>
Votes withheld	29	

The Chairman declared resolution 4 carried by **952** votes.

## Resolution 5: Board Appointment

That Mrs Nemone Wynn-Evans be re-elected as a Non- Executive Director of the Society.

**Proposed by R Turner**

**Seconded by J Hindle**

**The result of the voting was:**

	FOR	AGAINST
Chairman's Proxy	747	0
Members votes received	270	29
<b>TOTAL</b>	<b>1,017</b>	<b>29</b>
Votes withheld	29	

The Chairman declared resolution 5 carried by **988** votes.

## Resolution 6: Board Appointment

That Mr Simon Pashby be re-elected as a Non- Executive Director of the Society.

**Proposed by N Wynn-Evans**

**Seconded by K Harris**

**The result of the voting was:**

	FOR	AGAINST
Chairman's Proxy	747	0
Members votes received	260	39
<b>TOTAL</b>	<b>1,007</b>	<b>39</b>
Votes withheld	29	

The Chairman declared resolution 6 carried by **968** votes.

## Resolution 7: Board Appointment

That Mr Roger Turner be re-elected as an Executive Director of the Society.

**Proposed by J Hindle**

**Seconded by A M O'Dea**

**The result of the voting was:**

	FOR	AGAINST
Chairman's Proxy	747	0
Members votes received	262	39
<b>TOTAL</b>	<b>1,009</b>	<b>39</b>
Votes withheld	27	

The Chairman declared resolution 7 carried by **970** votes.

On the conclusion of the voting, and no further questions from the floor, the Chairman thanked everyone for their attendance and formally closed the meeting.

# 2017

## Annual General Meeting

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### Our values and principles

We value our heritage of mutuality which means we have no shareholders. The Society is owned by you the member and run for your benefit.

We have helped generations of members save for and protect their families for nearly 200 years.

We believe in conducting our business with integrity and ensuring that your savings are treated fairly and responsibly.

We are committed to creating an environment in which our staff feel valued and motivated to achieve the best possible member outcomes.

**The Shepherds Friendly Society Limited** Registered Office: Haw Bank House, High Street, Cheadle, Cheshire SK8 1AL.  
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SHEPHERDS FRIENDLY IS A TRADING NAME OF THE SHEPHERDS FRIENDLY SOCIETY LIMITED WHICH IS AN INCORPORATED FRIENDLY SOCIETY UNDER THE FRIENDLY SOCIETIES ACT. REGISTERED NO 240F. AUTHORISED BY THE PRUDENTIAL REGULATION AUTHORITY AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY AND THE PRUDENTIAL REGULATION AUTHORITY, FINANCIAL SERVICES REGISTER NO 109997.

The Head office and Registered office of The Shepherds Friendly Society is based in the United Kingdom.