

# Shepherds Friendly Society 197th Annual General Meeting

## Tuesday 11th July 2023 – 4.30pm

### Attendees from Shepherds Friendly's Board of Management

Nemone Wynn-Evans (Board Chair)  
Ann-Marie O'Dea  
Simon Pashby  
Cameron Mills  
Mark Myers  
Alison McKinna (via Microsoft Teams)  
Neil Tinegate  
Christopher Critchlow  
Derence Lee  
Nasrin Hossain  
Sam Chivers  
Nasrin Hossain  
Victoria Cook (Company Secretary)

### The meeting was quorate.

The Board Chair, Nemone Wynn-Evans, opened the meeting by welcoming members to the Office and those who joined remotely.

Before the main business of the day, Nemone welcomed guest speaker, ClimatePartner who talked about the work they do to help the Society maintain its status as a carbon neutral organisation through certified offset projects.

Thanking the guest speaker, Nemone then turned to the formal business of the day and addressed the meeting with her review of 2022, stating that this had been another year that the Society has shown resilience in uncertain circumstances and continued to deliver product and services that meet the needs of our members. The year had involved enduring the challenges and uncertainty posed by the Covid-19 pandemic in the previous years. The on-going war in Ukraine, coupled with supply shortages following the post-Covid demand spike, spurred inflation and sent energy prices soaring here in the UK. The uncertain political situation in the UK exacerbated the volatility in investment markets and reduced consumer confidence. Many consumers now faced a cost-of-living crisis with inflation and interest rates at levels not seen in many years. Against that backdrop it is vital that we are here for our members, always aiming to deliver products and services they want at fair value, and offering the support they need when they need it.

Consumer Duty was an important new piece of regulation being introduced by the Financial Conduct Authority this year to ensure that insurers, offer products and services that meet consumers' needs and offer them at fair value. The values within the Society align well with this new regulation and its objectives. The Society had made good progress with its implementation plan during 2022 and was on track to meet the regulatory timescales.

Nemone Wynn-Evans was confident that the Society's strategy would continue to deliver value for its members. The Society's purpose was to deliver simple and accessible products that provide members with a more certain financial future. Technology would be adapted to enhance communication with members and widen the appeal to consumers. The Society would also continue to seek opportunities with innovative partners who can complement the value we give to members.

The Chair then moved to the Resolutions.

## Resolution 1

To receive the Annual Accounts for the financial year ended 31st December 2022, the Report of the Board of Management and the Auditors' Report.

**Proposed by – Cameron Mills**

**Seconded by – Ann-Marie O'Dea**

Votes received were as follows:

	For	Against
Member votes received (including proxy votes)	1064	14
Votes withheld	11	

Resolution 1 was declared carried.

## Resolution 2

To receive the 2022 Remuneration Report.

**Proposed by – Simon Pashby**

**Seconded by – Sam Chivers**

Votes received were as follows:

	For	Against
Member votes received (including proxy votes)	1037	30
Votes withheld	22	

Resolution 2 was declared carried.

## Resolution 3

To appoint BDO LLP as Auditors of the Society until the conclusion of the next Annual General Meeting.

**Proposed by – Mark Myers**

**Seconded by – Christopher Critchlow**

Votes received were as follows:

	For	Against
Member votes received (including proxy votes)	1005	40
Votes withheld	44	

Resolution 3 was declared carried.

## Resolution 4

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

It was confirmed that the Board had assessed and were very satisfied with the performance of Nemone and were therefore happy for her to stand for re-election.

**Proposed by – Simon Pashby**

**Seconded by – Christopher Critchlow**

Votes received were as follows:

	For	Against
Member votes received (including proxy votes)	994	47
Votes withheld	48	

Resolution 4 was declared carried.

## Resolution 5

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

It was confirmed that the Board had assessed and were very satisfied with the performance of Simon and were therefore happy for him to stand for re-election.

**Proposed by – Mark Myers**

**Seconded by – Sam Chivers**

Votes received were as follows:

	For	Against
Member votes received (including proxy votes)	986	56
Votes withheld	47	

Resolution 5 was declared carried.

## Resolution 6

To re-elect Cameron Mills as a Non-Executive Director of the Society.

It was confirmed that the Board had assessed and were very satisfied with the performance of Cameron and were therefore happy for him to stand for re-election.

**Proposed by – Nemone Wynn-Evans**

**Seconded by – Ann-Marie O'Dea**

Votes received were as follows:

	For	Against
Member votes received (including proxy votes)	988	53
Votes withheld	48	

Resolution 6 was declared carried.

## Resolution 7

To re-elect Mark Myers as a Non-Executive Director of the Society.

It was confirmed that the Board had assessed and were very satisfied with the performance of Mark and were therefore happy for him to stand for re-election.

**Proposed by – Nemone Wynn-Evans**

**Seconded by – Sam Chivers**

Votes received were as follows:

	For	Against
Member votes received (including proxy votes)	985	58
Votes withheld	46	

Resolution 7 was declared carried.

## Resolution 8

To re-elect Alison McKinna as a Non-Executive Director of the Society.

It was confirmed that the Board had assessed and were very satisfied with the performance of Alison and were therefore happy for her to stand for re-election.

**Proposed by – Cameron Mills**

**Seconded by – Ann-Marie O'Dea**

Votes received were as follows:

	For	Against
Member votes received (including proxy votes)	1001	46
Votes withheld	42	

Resolution 8 was declared carried.

## Resolution 9

To re-elect Neil Tinegate as a Non-Executive Director of the Society.

It was confirmed that the Board had assessed and were very satisfied with the performance of Neil and were therefore happy for him to stand for re-election.

**Proposed by – Simon Pashby**

**Seconded by – Christopher Critchlow**

Votes received were as follows:

	For	Against
Member votes received (including proxy votes)	981	56
Votes withheld	52	

Resolution 9 was declared carried.

The Chair then moved to Member questions (received via email)

## Members Questions

The following questions were received from member, Giles Chance:

- Q. Noting that operating expenses rose over the previous year by approximately 3mn, and there was an operating deficit of about 3mn. If operating expenses had remained at 2021 levels, the deficit would have been a surplus. Why did operating expenses increase so much in 2022?**
- A. Derence Lee (Chief Financial Officer) explained that during 2022, membership had grown by over 7% and gross premium income had grown by 11%. This was mainly driven by new business growth and one of the variable increases to operating costs. Costs also increased as we continue to invest into the operating capabilities of the business for the longer-term benefit of our members. This included modernising our member engagement and improving our member experience and retention. Over the past year, the mobile app was launched along with increasing ways our members can communicate with us.
- Nor was the Society immune to inflationary cost pressures. Despite working with suppliers to keep cost increases under control, inflation had also contributed to the cost increases.
- Q. Mr Chance also requested details of the annual investment returns on invested funds for 2022, 2021 and 2020.**
- A. Derence highlighted that members had been paid annual bonuses of 2% from 2020 to 2022. Our investments are mainly in the RLAM MAST fund which aims to reduce volatility through an actively managed diversified portfolio. Over the last three years this has been impacted by the Covid-19 pandemic and the war in Ukraine; the three-year compound investment return on the With-Profits fund was -1.45%. This provided a better return compared to, for example, the FTSE All-Share Index that had a three-year compound return of -2.89%.

The following question was received from member, Dan Gunn:

- Q. Will the Culture Director submit a report on progress made over last 12 months in making the Society more diverse at all levels including the Board and advise on what tangible steps are planned for the next 12 months in enhancing, demonstrating and documenting diversity within the Society...?**
- A. Nasrin Hossain spoke to the Society's strategy of employing a diverse workforce across the organisation including the Board. Applications from diverse candidates were encouraged and accepted. All appointments including the Board, are made based on the skills, knowledge and experience required for the role. Nasrin directed to where a copy of the Board's Diversity Policy could be found on the Society's website.
- Shepherds Friendly proactively ensure that diversity encompasses multiple skills, experiences, backgrounds, ethnicity, gender, and other characteristics. We also undertake activities to meet our diversity policy such as staff training, ongoing education about different diversity, equity, and inclusion (DEI) characteristics, and policies that support a positive work-life balance.
- Further consideration would be given as to how we can ensure members have a better understanding of our diversity and inclusion strategy going forwards.

The following questions were received from member Jim Cobbley (attending in person):

- Q. Mr. Cobbley asked what training the Non-Executive Directors (NEDs) had received during the year to ensure they remained up to date with financial markets.**
- A. Nemone explained that each NED had their own individual training programme that they fulfilled over the course of the year. Some of this was provided by the Society and there was also an annual training day for the entire Board. Directors also took responsibility for their own training, attending relevant seminars and conferences. This collective knowledge was then discussed at meetings. At the end of each year the Chair sits with each director to discuss the training they have completed to ensure this matches what the Society needs and to create a plan for the following year. There was an active training and development plan for all NEDs to ensure they stayed up to date.
- Q. Mr. Cobbley asked about the type of volunteering that the Society staff were involved in.**
- A. Nasrin Hossain explained that local charities were a priority for Shepherds Friendly. Volunteers would frequently work with Seashell Trust which is a local school for children with learning disabilities. Activities often included gardening, painting and helping with activity days.
- The Society was also involved with Feeding the Community which is a local community group that provides meals for those in need. We also work with homeless shelters and carry out local litter picking sessions.

## Conclusion

With no further questions raised, Nemone Wynn-Evans confirmed that concluded the main business of the day.

Following a vote of thanks to the Board Chair, the meeting was declared closed.



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