

Metropolitan Police Friendly Society Limited

Annual General Meeting

19th June 2020

The 72nd Annual General Meeting of the Society was held on Friday 19th June 2020 via an online platform CastavoteLive. The meeting started at 2:00pm and the following are the minutes:

1. Attendance

The Chair, Joanna Young welcomed the members and a number of guests to the meeting. All members of the Board of Directors were present. She explained that if members wish to ask questions today they can do so via the Q&A at the bottom of the screen.

2. Chair's Introduction

The Chair firstly said that holding an AGM virtually is a first for her, Metfriendly and most likely a first for our members too. She explained she would have preferred meeting face to face to catch up with members and that she hopes they can meet at a more personal event in the not too distant future.

Joanna Young acknowledged the COVID-19 pandemic and how this may have affected members in different ways and said her thoughts are with the friends, families and colleagues of members we have lost. She also mentioned that as well as the added tasks and criticism facing police across the country, she did not anticipate the wide scale demonstrations. Joanna Young made it clear that Black Lives Do Matter and she understands the fear, anger and frustration of the many of the demonstrators who are rightly seeking equality. She said that anyone who has been around policing for more than a decade will know the strides the Police have taken to improve its service to all minority groups, however there is still more to do.

Joanna Young thanked the Police Officers, Police Staff, PCSOs and Special Constables who have continued to serve their communities without fear or favour and added that the UK Police are sometimes unjustly at the forefront of the anger, fear and frustration.

Joanna Young turned to the Annual Report and said that Metfriendly performed well in 2019, our membership grew more than 7% and assets remain in a good position despite recent challenges. The investments made in our infrastructure to ensure we were robust and resilient paid off and mentioned the team at Metfriendly responded quickly and professionally to adjust to working from home whilst providing the same quality service to members. Decisions made in 2017/18 on our investments paid off during 2019 and the With Profits fund returned a healthy 9.2% for the year, despite the market volatility. This investment approach has continued to help us in 2020 and has reduced the impact to our members' investments compared to the falls in the stock market.

Joanna Young said that Metfriendly continues to put our members at the heart of everything we do, and our membership structure means that every member gets to vote, and our members own the business. She added that we respond to member's feedback and needs and in April we launched a new simplified Monthly Savings ISA to take the hassle out of saving. She added that we continue to offer the Lifetime ISA, lump sum investments and more. She explained that Metfriendly are not just here for financial needs, but we also support policing in other ways such as handing out hand sanitisers, sponsoring the Met Police Choir and Rugby Club, we helped launch and support retired dogs and their handlers, and we remember fallen Police Officers through the sponsorship of the Memorial Flame at Hendon and actively fund raise for National Police Memorial Day.

Joanna Young said staff at Metfriendly genuinely care about our members too, and that in all departments they are all there to make things easier and better for members. She thanked the staff for their work. Joanna also thanked the Board for their dedication, support and

guidance they have given throughout the year and that today we are welcoming two Non-Executive Directors, Nicola Hayes and Clive Triance, subject to voting, who will join the Board. She said that all our NEDs have a wealth of experience and a shared commitment to serving our members and doing the right thing.

Two Non-Executive Directors, Fiona Gregory and Janet Cassettari are stepping down from the Board. Joanna Young explained that Janet has been on the Board since 2010 and worked with Metfriendly for over 13 years and has a real compassion for members and has been a great champion for them. She chaired the Member Relations Committee and helped take member relations forward. Fiona Gregory has been with Metfriendly since 2014 and has a passion for policing as her Dad and husband were Police Officers. Fiona challenged the Board to look at things differently and repeatedly asked “how does this help members?”. Fiona chaired the Remuneration Committee and was the Senior Independent Director providing support and robust challenge to the Chair. Joanna Young said they will both be missed, and she wishes them well for the future.

Joanna Young reminded everyone to be kind to themselves, those they love and ignore those who do not recognise the amazing job they are doing. She reminded them that they are heroes and said from herself and Metfriendly thank you for being a member of Metfriendly and also for all they do and have done for policing.

Kathy Byrne, CEO, echoed that 2019 was a successful year for Metfriendly with more members choosing to join and entrusting their savings and investments with us. Kathy Byrne explained that during 2019 we built solid foundations to prepare to be fit for the future. These foundations were three pillars of financial strength, investment strategy and operational resilience. She detailed how we built operational resilience:

- Invested in infrastructure including moving our servers to the cloud
- Invested in people, a new Leadership Team bringing a breath of knowledge and experience
- Testing Business Continuity plans, part of our scenario planning included a pandemic

Kathy Byrne mentioned in 2019 the With Profit Fund achieved a gross return of 9.2% and explained that the pandemic led to stock market crashes and at the end of May the UK stock markets were around 20% lower than at the beginning of the year, and over the same period the With Profits Fund has fallen by around 2.25%. She explained this is due to the investment strategy and explained this means we invest the With Profits Fund in a diversified portfolio of assets including bonds, multi assets and property funds. She added that our investment managers moved tactically into safer assets in preparation for Brexit and now in 2020 they are poised to move tactically back when things recover and take advantage of the upturn.

Kathy Byrne quoted Martin Lewis, “There are only two prices that count the price you buy at and the price you sell at”. And explained this means that market crashes only matter if you need to cash in your policy early, therefore most members who have held a policy with Metfriendly for many years will see very little change in the value of their investment. Kathy Byrne explained the returns our members receive depend on the return of the With Profits fund and every year an annual bonus is added to the policy and if it has been held for at least 3 years, there is usually a final bonus too. However not all policies include a final bonus. She mentioned that our Monthly Savings ISA and Lifetime ISA currently have an annual bonus rate of 1.5% which is guaranteed until 5th April 2021 for premiums paid in the 2020/21 tax year.

Kathy Byrne explained that our financial strength is measured by our solvency capital coverage ratio, and at the end of 2019 this was 292%, nearly 3 times the minimum amount of capital required to hold by the regulator. At the end of May it dipped slightly to two and three quarters time covered. Therefore, even with the market falls, Metfriendly has stayed financially strong. Kathy Byrne explained that we require capital to be able to grow and expand, write new business and provide new products for members and she reminded

members that their policies are covered by the Financial Services Compensation Scheme which has no upper limit to the amount protected. She explained this means it could make sense to keep all policies in one place at Metfriendly, simplifying the number of providers and making it easier to track what they have.

Kathy Byrne summarised by saying that Metfriendly was founded in 1893 by Met Police Officers to provide financial security for the families of serving and retired Police Officers and the Board are custodians of Metfriendly for current and future members. She said that Metfriendly is in a strong position to continue to support the Police Family today, tomorrow and for many years in the future.

Joanna Young thanked Kathy and declared the 2020 Annual General Meeting of the Metropolitan Police Friendly Society Limited open.

3. Notice of Annual General Meeting

The Notice of the Annual General Meeting which was sent to all members on 22nd May and emailed on 27th May. Joanna Young proposed that the notice of the 2020 Annual General Meeting of the Metropolitan Police Friendly Society Limited was taken as read. This was seconded by Craig Haslam.

4. Apologies for Absence

Joanna Young announced that there were no apologies received.

5. Questions & Answers

Joanna Young said before the formal agenda she will answer questions that have been sent in and reminded those in attendance they can submit questions. She thanked those who have sent in questions.

Question 1: "I recently considered purchasing Junior ISAs for two of my Grandchildren aged 8 and 6. The application form I encountered online was far from welcoming and as a loving Grandad I was made to feel a minor participant in this process as just a "Payee"

I appreciate that the parents must sign the forms, but will you consider redesigning the application to make Grandparents a more major part of financing their loved one's future?"

Joanna Young answered that the short answer is "yes we will" and said she was sorry the member felt that way as that is never our intention. She thanked the member for bringing it to our attention as we genuinely welcome feedback. The longer answer is we are always looking at ways to improve and try to get the balance right. We have to comply with HMRC rules, and we will be working with our Metfriendly community panel to design more engaging forms.

Joanna Young said she would take the next 3 questions together

Question 2: "I have noted that Police Mutual is to be taken over by Royal London, the UK's largest mutual insurer. What impact does the Board think this will have on Metfriendly?"

Question 3: This issue only came up this morning, when it landed on my doormat. You may or may not be aware that Police Mutual appear to be in difficulty, so much so that they have recommended a takeover by Royal London be approved by their membership. It has already been approved by their various committees and their force reps. The alternative is for them to close to new business and effectively become a zombie fund! In light of this development, what assurances can Metfriendly, a significantly smaller Friendly Society give its loyal membership, that it won't be forced to seek a partner or indeed be taken over by a larger company in the future?

Question 4: On reviewing the Police Mutual documentation more closely it would appear that the transfer of business to Royal London has already been agreed (without the need for

member approval), subject to the regulators' approval. I, as I am sure many other Metfriendly members, would be interested to know the Boards view on these somewhat surprising developments. It is reassuring to know that the Society has a healthy £29m surplus above its liabilities but doesn't that make us a prime target for an aggressive takeover?

Joanna Young mentioned that the merger is subject to the Prudential Regulation Authority (PRA)'s approval and that the Board and Leadership Team have been very aware for some time and are considering it in great detail. The Board and Leadership Team are looking carefully at the opportunities and potential risks and what lessons can be learned from their situation. Joanna Young reminded our members that we manage our members money prudently to balance risk and reward and maintain a healthy level of solvency and highlighted that our solvency is strong.

She explained that we are owned by our members so they would be involved in any important decision and an aggressive takeover could not happen because this is when someone buys shares to own a high percentage of a company's shares in order to take it over. She explained that we do not operate like that and we have one member, one vote.

Joanna Young said that the vision of the Board and Leadership Team is to build on the long history of the Society and there are no plans or intentions to move away from being a mutual Society owned by its members.

There were no further questions, so Joanna moved onto the voting, she explained that if the members are eligible to vote today, if they have not previously voted, they have 15 seconds to do so. Joanna Young explained that the votes today will be added to the proxy votes that have already been received and the votes will be displayed on the screen at the end of the voting process. Joanna Young said she was delighted to see that online voting facility has been popular and the number of votes has increased to 2208.

Joanna Young moved onto the resolutions to be considered, as set out on the Agenda and on the Notice of the Meeting. She added none of the resolutions today are Special Resolutions, so each item requires only 50% or more of the total votes cast, to be in favour, in order to be passed.

6. Agenda Item 1 - Minutes of the 2019 Annual General Meeting

The Chair proposed that eligible members consider that the Minutes of the 2019 Annual General Meeting as laid before the meeting are confirmed. This was seconded by Craig Haslam.

Joanna Young thanked everyone and said as the minutes have received in excess of 2000 votes the resolution is passed and she will therefore sign the minutes of the 2019 AGM of the Metropolitan Police Friendly Society Limited as a true and accurate record of the proceedings.

Joanna moved on to other matters and explained the first of these concerns receipt of the Annual Report and Accounts, followed by the re-appointment of the Society's auditor and then an advisory vote on the Society's Remuneration Report and Policies. Then there will be nine items concerning the election or re-election of Directors.

The meeting is to note that in accordance with Rule 32, which covers the procedure at meetings, she hereby demands that in accordance with Rule 32(6) the voting in respect of agenda items 2, 4 and 5 and 6.1 to 6.9 is to be taken on a poll.

7. Agenda Item 2 – Annual Report and Accounts for the Year ended 31st December 2019

The Chair then proposed that the Annual Report and Accounts for the year ended 31 December 2019, as made available on the Society's website before the meeting had been received and adopted. This proposal was seconded by Ben Grainger.

8. Agenda Item 3 – Auditor’s Report for the Year ended 31st December 2019

The Chair pointed out that the Annual Report and Accounts incorporated a statement by the Society’s independent auditor, Mazars LLP whose report appeared on pages 42-47. She said the Auditor’s Report was unqualified and included a summary of the audit approach, commentary on key audit matters and commentary relating to other matters relevant to the audit of the Society’s financial statements.

9. Agenda Item 4 – Re-Appointment of Auditor

The Chair reported that Mazars LLP had acted as the Society’s auditor for a number of years and are considered suitably qualified and experienced within the sector in which the Society operated. The Board recommended that Mazars LLP be re-appointed as the Society’s auditor.

Joanna Young proposed that Mazars LLP be re-appointed as Auditor of the Society, to hold office until the conclusion of the 2021 Annual General Meeting and to authorise the Board to fix the Auditor’s remuneration. This proposal was seconded by Craig Haslam.

10. Agenda Item 5 – Remuneration Report and Policies for the Year ended 31st December 2019

The Chair informed the meeting that this item was included in accordance with best practice guidance on Corporate Governance. She pointed out the vote on the report is advisory and drew attention to the report and policies within the 2019 Annual Report on pages 39-41.

The Chair proposed that the Remuneration Report and Policies for the year ended 31 December 2019, as laid before the meeting be approved. This was seconded by Ben Grainger.

11. Agenda Item 6 – Election/Re-election of Directors

The Chair explained that the Society’s Rules do not require for all directors to retire from office each year and where appropriate, offer themselves for re-election. However, in accordance with Corporate Governance best practice, she stated the Society considered it appropriate to do so. Accordingly, there were three directors standing for election to the Board and six existing directors seeking re-election. Joanna Young pointed out that information relating to each of the directors seeking election or re-election to the Board had appeared within the letter incorporating the AGM Notice which had been sent to eligible members on 22nd May.

Item 6.1 – Gerhardt Ekermans

The Chair proposed that Gerhardt Ekermans be elected as a director on the Society. Craig Haslam seconded this proposal.

Item 6.2 – Nicola Josephine Hayes

The Chair proposed that Nicola Josephine Hayes be elected as a director of the Society. Ben Grainger seconded the proposal.

Item 6.3 – Clive Triance

The Chair proposed that Clive Triance be elected as a director of the Society. Craig Haslam seconded the proposal.

Item 6.4 – Kathleen Jeanette Byrne

The Chair proposed that Kathleen Jeanette Byrne be re-elected as a director of the Society. Ben Grainger seconded the proposal.

Item 6.5 – Benjamin Keith Grainger

The Chair proposed that Benjamin Keith Grainger be re-elected as a director of the Society. Craig Haslam seconded the proposal.

Item 6.6 – Craig Paul Haslam

The Chair proposed Craig Paul Haslam be re-elected as a director of the Society. Ben Grainger seconded the proposal.

Item 6.7 – Graeme Stewart McAusland

The Chair proposed that Graeme Stewart McAusland be re-elected as a director of the Society. Craig Haslam seconded the proposal.

Item 6.8 - Lee Darren Schopp

The Chair proposed that Lee Darren Schopp be re-elected as a director of the Society. Ben Grainger seconded the proposal.

Item 6.9 – Joanna Mary Alison Young

Craig Haslam proposed that Joanna Mary Alison Young be re-elected as a director of the Society. Ben Grainger seconded the proposal.

Joanna Young thanked everyone for voting, informed those present that matters upon which they were required to vote had now been concluded and the outcome of each resolution was now published on the screen. She thanked all members present for their support to the Society and their participation at the Society’s 2020 AGM which she declared closed.

Other Matters

National Police Memorial Day Charity Donation

The Chair informed the AGM that to encourage online voting the Society had agreed to make a £1 donation for each online vote received to the National Police Memorial Day. She was pleased to report that the Society received 1691 votes using the online facility in respect of the 2020 AGM and as a result it would be making a donation of £1691 to the National Police Memorial Day which is due to take place virtually later in the year.

Prize Draw

The Chair also informed the meeting that members who used the online voting system, by submission of the paper-based voting form or by attendance at the AGM were automatically entered into the Society’s 2019 Prize Draw. The prize draw will be made after the meeting and the winners will be notified.

Joanna Young finalised the meeting by thanking everyone for their continued support, for taking the time to attend the AGM, for voting and for being a member of Metfriendly.

The results of the voting are shown below:

(To be added in once the document is PDF)

Chair	Date:

Records in Data:	15008		
Total Votes Received:	2206	Total Member Votes:	14.70%
Online votes:	1687		
Paper votes:	519		

Ordinary Resolutions

			% of Votes Received	% of Voters
To confirm the Minutes of the 2019 Annual General Meeting	For	938		6.25%
	Against	4	0.18%	0.03%
	Withheld	29		0.19%
	Chair	1231		8.20%
	Proxy	0		0.00%
	Spoil	4		0.03%
	Chair + For	2169	99.82%	14.45%
To receive and adopt the Annual Report and Accounts for the year ended 31 December 2019	For	939		6.26%
	Against	12	0.55%	0.08%
	Withheld	24		0.16%
	Chair	1227		8.18%
	Proxy	0		0.00%
	Spoil	4		0.03%
	Chair + For	2166	99.45%	14.43%
To receive the Auditor's Report for the year ended 31 December 2019	For	929		6.19%
	Against	14	0.64%	0.09%
	Withheld	29		0.19%
	Chair	1231		8.20%
	Proxy	0		0.00%
	Spoil	3		0.02%
	Chair + For	2160	99.36%	14.39%
To consider and, if thought fit, pass an Ordinary Resolution to re-appoint Mazars LLP as Auditor of the Society, and to authorise the Board to fix the Auditor's remuneration	For	913		6.08%
	Against	27	1.24%	0.18%
	Withheld	33		0.22%
	Chair	1229		8.19%
	Proxy	0		0.00%
	Spoil	4		0.03%
	Chair + For	2142	98.76%	14.27%
To consider and, if thought fit, pass an Ordinary Resolution to approve the Remuneration Report for the year ended 31 December 2019. (Advisory Vote - this is not a binding vote but your Board considers it best practice to enable members to express a view on this matter.)	For	904		6.02%
	Against	27	1.25%	0.18%
	Withheld	42		0.28%
	Chair	1229		8.19%
	Proxy	0		0.00%
	Spoil	4		0.03%
	Chair + For	2133	98.75%	14.21%
Gerhardt Ekermans as a Director	For	895		5.96%
	Against	47	2.18%	0.31%
	Withheld	44		0.29%
	Chair	1217		8.11%
	Proxy	0		0.00%
	Spoil	3		0.02%
	Chair + For	2112	97.82%	14.07%

Nicola Josephine Hayes as a Director	For	910		6.06%
	Against	31	1.44%	0.21%
	Withheld	43		0.29%
	Chair	1218		8.12%
	Proxy	0		0.00%
	Spoil	4		0.03%
	Chair + For	2128	98.56%	14.18%
Clive Triance as a Director	For	894		5.96%
	Against	36	1.68%	0.24%
	Withheld	52		0.35%
	Chair	1219		8.12%
	Proxy	0		0.00%
	Spoil	5		0.03%
	Chair + For	2113	98.32%	14.08%
Kathleen Jeanette Byrne as a Director	For	921		6.14%
	Against	32	1.48%	0.21%
	Withheld	33		0.22%
	Chair	1216		8.10%
	Proxy	0		0.00%
	Spoil	4		0.03%
	Chair + For	2137	98.52%	14.24%
Benjamin Keith Grainger as a Director	For	917		6.11%
	Against	30	1.39%	0.20%
	Withheld	38		0.25%
	Chair	1217		8.11%
	Proxy	0		0.00%
	Spoil	4		0.03%
	Chair + For	2134	98.61%	14.22%
Craig Paul Haslam as a Director	For	900		6.00%
	Against	52	2.40%	0.35%
	Withheld	36		0.24%
	Chair	1214		8.09%
	Proxy	0		0.00%
	Spoil	4		0.03%
	Chair + For	2114	97.60%	14.09%
Graeme Stewart McAusland as a Director	For	910		6.06%
	Against	33	1.53%	0.22%
	Withheld	43		0.29%
	Chair	1216		8.10%
	Proxy	0		0.00%
	Spoil	4		0.03%
	Chair + For	2126	98.47%	14.17%
Lee Darren Schopp as a Director	For	906		6.04%
	Against	38	1.76%	0.25%
	Withheld	41		0.27%
	Chair	1218		8.12%
	Proxy	0		0.00%
	Spoil	3		0.02%
	Chair + For	2124	98.24%	14.15%

Joanna Mary Alison Young as a Director	For	914		6.09%
	Against	41	1.89%	0.27%
	Withheld	31		0.21%
	Chair	1216		8.10%
	Proxy	0		0.00%
	Spoil	4		0.03%
	Chair + For	2130	98.11%	14.19%