

# Metropolitan Police Friendly Society Limited

## Annual General Meeting

### 3<sup>rd</sup> July 2024

The 76<sup>th</sup> Annual General Meeting of the Society was held on Wednesday 3<sup>rd</sup> July 2024 at Metfriendly's Office. The meeting started at 11.00am and the following are the minutes:

#### 1. **Welcome**

The Chair, Graeme McAusland, welcomed the Members attending the 2024 Metropolitan Police Friendly Society Limited AGM. Graeme explained that the AGM is one part of our governance arrangements where the Board are accountable to our Members, and he looked forward to some good questions later this morning.

#### 2. **Chair's Introduction**

Graeme said that last year in his first AGM speech as Chair he was mildly concerned about how he would be received as a non Police background Chair. The AGM last year removed those concerns, and he is delighted to report that the interaction both he, and more importantly, the organisation has had over the last year with the Police Family has increased significantly. Graeme explained that this is primarily due to the work of Martin Bellingham, who is the Membership Support Director and Annette Petchey who is the Chief Executive Officer.

Graeme explained this interaction with policing is to us doing a great job for our Members. He said the financial services world is filled with many companies with many resources and our point of difference is that Metfriendly understands their Members and potential Members and the issues they face. We care deeply about making the organisation work for our Members and this runs from the Board through to the first person you will interact with in our Member Services or Sales teams. Graeme added that as an example of our interaction, half of our Board Meetings have been at Police premises since the last AGM and at each location we have heard directly from those working there which really brings some of the challenges to life.

Graeme said it has been another year where Policing faced many challenges and Metfriendly have also been privileged to have various Police Officers come to talk to our team. Our Member Committee, chaired by Emma Richards, also has a regular stream of attendees from different ranks and different forces discussing their challenges. He added that none of this makes the non Police members of our team Policing experts and we would never claim it does, but it does give us some real life insight. Graeme explained that we have in a number of situations offered support where there has been a need to do so and we do try to help, sometimes with small gestures and at other times with more meaningful contributions. GM added that one area Metfriendly helped with in the last year was the National Police Memorial Day and the organisers have been very public about Metfriendly's support. He was privileged to attend the service in Cardiff and felt it was a very humbling experience to hear from and see the families of those who had lost a loved one. Graeme said it did bring a stark reality to some of the issues faced by our Members.

Graeme advised the meeting that Annette Petchey, Chief Executive Officer, would summarise the Society's performance in 2023 and the outlook for the organisation but he wanted to pick up on a few specific items first. He said that in 2023 we completed the development of our new system and the associated processes, we launched two new products specifically responding to Member demands, we completed the first phase of the FCA's Consumer Duty requirements, and we carried out a major review of our investment management arrangements. Graeme explained that these were all major pieces of work and for a relatively small organisation to have completed them was a major success.

Graeme added that they are all background pieces to what really matters which is us providing Members with great value products and services. We believe that we do and we want to make them even better. The development in our systems should let us process more efficiently which should reduce unit costs and ultimately improve returns. The investment review was about finding an investment solution that was better suited to the larger size of the organisation we now have. This will give us greater flexibility in managing risk and return and should improve returns. Graeme advised that Annette would talk about the Guaranteed 5 Year Bond which has clearly been seen as a valuable product by many existing and new Members. Graeme said that on the Consumer Duty work we identified some wrinkles in some products that we believed were not as clear or as fair as they could be and these have been addressed and we are committed to continuously improving outcomes for Members.

Graeme thanked all those who work for Metfriendly for their continued commitment to the organisation, an enormous amount has been achieved and that is down to Metfriendly's people. We have a genuinely great team who are committed to delivering for Members and they are led by Annette and her Leadership Team who have driven the organisation forward. Graeme thanked his Board colleagues for their support and challenge and explained that we have a Board that is very used to, and very good at, having robust discussion. We do this without losing sight of the objective of finding what we believe to be the best solution for our Members.

Graeme thanked those who attended for their participation in today's event and he said that he hopes they find it informative and reassuring that the organisation is being run for the benefit of Members. Graeme handed over to the CEO, Annette Petchey, to summarise the performance of the Society in 2023.

### **3. Chief Executive Officer's Report**

Annette thanked Graeme and added her welcome to everyone at the 2024 AGM.

Annette said that as expected we continued to see the cost-of-living crisis affect many of our Members, impacting how much they were able to invest during 2023. Nevertheless, the Society grew to 18,916 Members and received £32m in premium income. Annette explained that during 2023 our With-Profits Fund returned 8.4%, recovering much of the impact of the sharp investment market crash seen in 2022. As a result of these positive returns, and money invested by Members, our total assets under management grew to £295m.

Annette said that the market crash in 2022 had led to the introduction of Market Value Reductions being applied to withdrawals from some policies invested before the 2022 market crash. As a result of the Fund's positive performance in 2023, we have been able to remove around a third of the Market Value Reductions entirely and those that do remain are substantially smaller than previously. Annette added that we review the number and value of MVRs each quarter and she hopes that we can continue to deliver strong returns and remove the remaining MVRs sooner rather than later.

Annette advised that 2023 saw us launch two new products for our Members. One was an overhaul of our existing critical illness plan and this new plan has been popular with new recruits since we launched it in January 2023. We increased the number of conditions the benefit would pay out for and the sum that it would pay, plus introduced a feature that tailored the plan specifically for the Police Family: if a Member's claim arises as a result of being on duty, we double the £25k payout to £50k. Annette said to choose just one example, the horrific sword incident in Hainault where Officers were seriously injured throws into sharp relief the danger Officers place themselves in, and she is extremely proud that Metfriendly provides cover that is designed with those Officers in mind and she hopes they are recovering well. Annette advised that the other product Metfriendly launched last year was our first guaranteed bond. This was developed in response to requests for certainty of return from Members who were happy to trade the potential for higher growth from a with-profits product for a guaranteed return with no risk. As you all know, we do not

pay any profits to shareholders, and so we are able to deliver strong returns on our with-profits products and provide a market-leading guaranteed rate for our Guaranteed Bond.

Annette noted that Graeme had mentioned about the successful implementation of our infrastructure project last year and she wanted to add that she is delighted that her team were able to deliver this in time and on budget which is really unusual for a major infrastructure project. Annette explained that another major delivery in 2023 was our review of our investment managers. RLAM and CTI have served us well for several years, but our needs have changed. Following a full review of the market, we selected Schroder's to manage the bulk of our investments and she is confident that we have secured an asset manager who understands that our Members want steady, cash-beating growth without exposure to regular market swings. Annette was pleased to say that this agreement has been put in place and assets are starting to be transferred.

Annette said that our last big delivery was implementing the new requirements for the Financial Conduct Authority's Consumer Duty, which puts customer outcomes – Members for us – at the heart of what financial services companies must do. She said that this was a task that aligned to our own values and approach so; while implementing any new regulatory regime is not simple, she is pleased our project went smoothly and the Consumer Duty requirements are embedded in Metfriendly.

Annette explained that we will continue to run the Society for Members' benefit - we never forget that the money we spend is not ours, it belongs to our Members. While inflation came down from the peak of 11.1%, it remained high for all of last year and has only recently come back to be under 3%. Once again, we have kept a tight control on our expenses, making sure that we do not waste any of our Members' money. She is pleased to report that, despite very high inflation, our expenses have once again remained broadly unchanged and this is testament to the Metfriendly team, some of whom are in the room today as they are Members themselves. Annette added that Members could not ask for a team more committed to delivering for them, and she thanked the Metfriendly team for it.

Annette said that during 2023, we continued to run our education and enrichment programmes, with 16,398 people registering for our webinars and 10,625 downloading our guides to help them understand their pay, finances, pensions and retirement options. The need to support the Police in these areas illustrates how much confusion still exists and prompted us to launch the Metfriendly Police Family Finance Index in 2022. The 5-fold growth in the participation in the index in 2023 highlighted the Police Family's faith that Metfriendly would continue to work for the Police Family's benefit. Annette said she has been delighted that so many bodies have engaged with Metfriendly on this – including the media and politicians - all listening to our calls to support the finances of Police Officers and Staff. This is not just to fairly reward those in Service now, but to protect the role in society in the future.

Annette said that whilst the main purpose of the AGM is to look back at 2023, she would like to explain what we are focusing on in 2024 and these are the things that she will report against at next year's AGM. Annette explained that we have 6 main priorities for the year, which she expanded on in the meeting; 1) to continue to grow the Society, 2) to develop a culture of continuous change and improvement, 3) to deliver platforms for growth, 4) to remain a great place to work, 5) to continue be a relentless ally of the police family, 6) to deliver a 3 year business plan for 2025-2027.

Annette stated that our link to the Police started 131 years ago and is still incredibly close. We are proud of the fact that we are the leading financial services provider that focusses entirely on the financial needs of the Police family.

Annette finished by saying that she is keen to hear from Members and she can be contacted by email on [annette@mpfs.org.uk](mailto:annette@mpfs.org.uk)

#### 4. Notice of Annual General Meeting & Attendance

Graeme McAusland declared the 2024 AGM of the Metropolitan Police Friendly Society Limited open.

The Notice of the Annual General Meeting was sent to all eligible Members on 4<sup>th</sup> June 2024. Graeme proposed that the notice of the 2024 Annual General Meeting of the Metropolitan Police Friendly Society Limited was taken as read.

Apologies for absence were received from Rebecca Hall and Rob Dagg.

#### 5. Questions & Answers

Graeme said before we begin the formal agenda items, he would address any questions from the Members'.

**Question 1: "In the pastoral sections of both Graeme and Annettes reports it was noted that Metfriendly did not mention retired Officers and the Police covenant, was that an oversight and can you enlarge on how Metfriendly supports retired Officers because there are 31,000 retired Police Officers drawing a pension in London, half of which belong to NARPO."**

Graeme said when we talk about the Police Family, Members should be assured we are talking about retired Officers and Staff as well as current Officers and staff and their families and NARPO are incredibly important to us. AP reinforced Graeme's answer and expanded that the fact we have not pulled one particular group out is an oversight because we work very closely with retired Officers, and NARPO have always been very important to us. Annette said that a lot of the work we do is with retired Officers and for the benefit of retired Officers; we are working very closely with the Police covenant and we are working with a number of organisations which includes us engaging with Alex Norris who is currently the Shadow Minister for Policing. Annette said there was no omission intended and if it felt like that then she was deeply sorry. Annette added that Martin Bellingham and his team work particularly closely with NARPO, and on the proposed Police Covenant.

Martin Bellingham reiterated that we see retired Officers and their families as a fundamental part of the Police Family and he is presenting at the NARPO NEC next week and will be taking them through Metfriendly's Police Family Finance research and looking at how we can work even more closely going forward. Martin added that we also work with London Police Pensioner and contribute to the Police Pension Magazine and we think there are more opportunities: at our pre-retirement events we are actively promoting - and encouraging Officers to join - NARPO. Martin said there is a massive opportunity with the proposed Police Covenant and we are working with the team through the College of Policing to look at the Covenant, not just for families of serving Officers in particular but also that journey into retirement where we know it is a real challenge given all the pressures both in terms of Policing but making that next step in your career.

One Member thanked Metfriendly for their support with the Police Pension Magazine and said it was gratefully received. They also said that the Police Covenant did not apply to retired Officers but when you look at the legislation it firmly points out that retired Officers are to be included in the Covenant. He added that he feels strongly that many Officers leave the service without the support that they previously had and NARPO will be arguing very strongly on their behalf that there should be more support given to retired Officers. Annette said she has ex-Police and ex-military family members and there is a huge disparity between the Covenant that exists for ex-military service people, and the Covenant that does not exist and is now being talked about for Police Officers and retired and former Officers, she added that it is a fight that Metfriendly will stand side by side with the Police Family on.

Graeme said the engagement with the Shadow Policing Minister is something we can do: it is part of being a relentless ally and we are trying to do this. He added that we have to be a little bit careful we do not get party political and we try to stay in the middle ground where

we are arguing for things that help the Police Family and this is something we are very serious about and the Board has talked a lot about as we are very serious about being a relentless ally.

**Question 2: “Could the Board consider reviewing the bereavement policy? If my husband and I had been aware of this, he would have redeemed his ISAs prior to his death and I would not have had the need to apply for probate.”**

Graeme said that we need Members to raise questions on things that do not work for them and he thanked the Member for raising this, this has prompted that we should be looking at the bereavement policy again and it will be looked at. The Member said their main objective in asking this question was to raise awareness of the bereavement policy to the Members and the practicalities that are there and that they ought to consider.

Graeme said we will cover this in the email that is sent out after the AGM and we will report to next year’s AGM on the conclusion that came from the work as a result of this question. The Member questioned the £10,000 threshold and whether you can transfer ISAs to the spouse and whether that will be treated in a different way because it is a slightly different move than withdrawing the funds. AP said her understanding was that the transfer is outside of the annual ISA limit threshold, the threshold is entirely separate and the transfer can be done in its entirety but we will make sure that we provide a full response in the email that comes out with the AGM notes.

**Question 3: “Is the new bond backed by the With-Profit fund or matching investments and are you comfortable advertising with a grossed up rate?”**

Graeme said it is backed by the With-Profits fund and it is backed by matching investments. Paul Grimshare said we had a lot of challenge from the Board on this including how we back the return that we are offering to Members and we target how we invest the money that comes in from the Bond. In terms of grossing up of rates we have spent a lot of time looking at how other providers present their products and our bond product is a long-term life product and the base rate tax is deemed to be paid. Paul added that we give both answers so it is clear what we mean by the grossed-up rate and how that would play through.

Martin Bellingham said that it is done like this to enable people to compare the different products that are out there in the market and we are trying to be transparent.

**Question 4: “On the bond the grossed up rate is helpful if trying to compare it to another product, but are you sure it is compliant with the FCA regulation especially with the new Consumer Duty?”**

Annette said she can confirm it is compliant with the FCA regulation. Annette added that we have had feedback from Members saying they really appreciate the clarity it provides and how much easier it is to compare it to other products on the market. Annette said it is a market leading rate and we are able to do that because we do not have to give our profits to separate shareholders, we are able to match it to the gilt rates that are out there and give really good returns to our Members.

Graeme added that there was extensive work done before the product was launched to make sure that it was compliant with COBS20. COBS20 is the regulation about the use of With-Profits funds to write non-profit business and we engaged some external actuarial advice on that. Graeme added that we are very satisfied that this is a product that is working for Members but is also working for the benefit of the Society.

Graeme moved onto the first of the formal Agenda Items. Graeme explained for each resolution he will ask eligible Members who have not already voted to raise their voting card issued when they registered on arrival today. For each resolution, these votes will then be counted and added to those votes we received in advance. We will then confirm provisional

voting totals and outcomes after all voting has been concluded. Graeme explained that Metfriendly Member, Mr Alan Gray, has agreed in advance to second all resolutions today.

**6. Agenda Item 1 – To confirm the Minutes of the 2023 Annual General Meeting**

Graeme said that the minutes of last year's AGM were prepared and reviewed after the meeting took place and have been available on our website. Graeme asked if there were any questions concerning the minutes. There were no questions, so Graeme proposed that eligible Members considered that the minutes of the 2023 Annual General Meeting as laid before the meeting are confirmed.

Graeme moved onto matters upon which Members will be asked to formally record their votes. Firstly, the Annual Report and Accounts, connected to this we need to acknowledge receipt of the Auditor's Report, vote on re-appointment of the Society's Auditor and then have an advisory vote on the Society's Remuneration Report and Policies. He explained we conclude the resolutions with ten items concerning the re-election of Directors.

In accordance with Rule 34, which covers the procedure of meetings, the voting in respect of agenda items 2, 4, 5 and items 6.1-6.10 is to be taken on a poll.

Graeme said he was delighted to report that more than 1300 Members have voted in advance of today's AGM; both online and using the paper-based voting forms which we send out. He added that 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, to be passed. Graeme asked if there were any questions anyone would like to ask at this stage and there were no questions raised.

**7. Agenda Item 2 – To receive and adopt the Annual Report and Accounts for the Year ended 31<sup>st</sup> December 2023**

Graeme advised that copies of the Society's Annual Report and Accounts for the year ended 31<sup>st</sup> December 2023 have been available on the Society's website and a link was provided within the letter incorporating the AGM notice. Graeme asked if there were any questions anyone would like to raise on the Annual Report and Accounts. There were no questions raised.

Graeme proposed that eligible Members consider that the Annual Report and Accounts for the year ended 31<sup>st</sup> December 2023, as laid before the meeting, have been received and adopted. Members attending and voting in the room voted unanimously in support of the resolution.

**8. Agenda Item 3 – To receive the Auditor's Report for the Year ended 31<sup>st</sup> December 2023**

Graeme pointed out that the Annual Report and Accounts incorporated a statement by the Society's independent auditor, Mazars LLP on pages 47-53. He said the Auditor's Report was unqualified which means there are no caveats to the Auditor's Report and it 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. Graeme asked if there were any questions anyone would like to raise on the Auditor's Report. There were no questions raised. Graeme explained that there is no requirement for a vote in respect of this item therefore he declared that the Auditors' Report for the year ended 31<sup>st</sup> December 2023, as laid before the meeting, has been received.

**9. Agenda Item 4 – Re-Appointment of Auditor**

Graeme reported that Mazars have acted as the Society's Auditor for a number of years and are considered to be suitably qualified and highly experienced within the sector in which the Society operates. The Board is recommending that Mazars LLP be re-appointed as the

Society's auditor going forward. Graeme asked if there were any questions. There were no questions raised.

Graeme proposed that eligible Members re-appoint Mazars LLP as Auditor of the Society, to hold office until the conclusion of the 2025 Annual General Meeting and to authorise the Board to fix the Auditor's remuneration. Members attending and voting in the room voted unanimously in support of the resolution.

**10. Agenda Item 5 – Remuneration Report and Policies for the Year ended 31<sup>st</sup> December 2023**

Graeme informed the meeting that this item was included in accordance with best practice guidance on Corporate Governance. He pointed out the vote on the report is advisory and drew attention to the report and policies within the 2023 Annual Report and Accounts on pages 44-45. Graeme asked if there were any questions. There were no questions raised.

Graeme proposed that eligible Members consider and approve the resolution that the Remuneration Report and Policies for the year ended 31<sup>st</sup> December 2023, as laid before the meeting, are approved. Members attending and voting in the room voted unanimously in support of the resolution.

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

Graeme explained that there are ten existing Directors seeking re-election this year and information relating to each of them appeared within the letter incorporating the Notice of AGM. He said that details were also included within the Annual Report and Accounts on pages 23-25 and on our website. Graeme asked if there were any questions. No questions were raised.

Graeme said that there are ten items to vote upon within this section, being one for each director standing for re-election. He proposed that eligible Members consider and if thought fit, pass the resolutions numbered 6.1 to 6.6 and 6.8 to 6.10 on the Notice of Annual General Meeting for the re-election of the Directors of the Society:

- 6.1 – Martin Bellingham
- 6.2 – Robert Dagg
- 6.3 – Paul Grimshare
- 6.4 – Rebecca Hall
- 6.5 – Craig Haslam
- 6.6 – Nicola Hayes
- 6.8 – Annette Petchey
- 6.9 – Emma Richards
- 6.10 – Lee Schopp

Members attending and voting in the room voted unanimously in support of the above resolutions.

Annette proposed that eligible Members consider and if thought fit, pass item 6.7 on the Notice of Annual General Meeting that Graeme McAusland be re-elected as a Non-Executive Director of the Society. Members attending and voting in the room voted unanimously in support of the resolution.

Graeme thanked everyone who voted in respect of this AGM and concluded matters upon which we are required to vote and said the outcome of each resolution will be announced on our website, once today's votes are added to those received in advance of this meeting and the results confirmed. Graeme checked with the independent scrutineer to ensure he had everything he needed and he confirmed he did.

Graeme said that he was very pleased to confirm that all resolutions have been passed and if anyone has any questions regarding these, please speak to one of us today or contact us

at any time in the usual way. Graeme thanked all Members for their support of the Society and for their participation at the Society's 2024 AGM which he declared closed.

**Other Matters**

**National Police Memorial Day Charity Donation**

Graeme said that Members will be aware that we encourage online voting in our AGM through the donation of £1 per vote received by this medium, to the National Police Memorial Day charity. Graeme said he was delighted to report that we will be donating £915 in respect of this and a number of us will be attending the Memorial Day in Glasgow in September.

**Prize Draw**

Graeme said that all Members who voted in the Society's 2024 AGM were automatically entered into a Prize Draw to win one of two £250 John Lewis vouchers. The winners will be drawn this afternoon and will be notified, with details confirmed on our website next week.

Graeme announced that lunch will be available very soon and a number of Metfriendly Staff and Board Members are present so to take this opportunity to talk with them. He thanked everyone for their continued support of the Society and for taking the time to participate in the AGM, for listening and voting and especially for being a Member of Metfriendly.

Chair	Date:
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