

Wesleyan Assurance Society

Verbatim Minutes of the Annual General Meeting

Held as a hybrid meeting on

Thursday 27 May 2021 at 2.00 pm

Nathan Moss: Ladies and gentlemen welcome to the 2021 Wesleyan Annual General Meeting. This year marks our 180th as a mutual society and we are both proud and humble, to reach such a milestone. It's a shame we are unable to celebrate this landmark with you face-to-face this year, but the fact we are online again is testament to the extraordinary times we find ourselves in. We're using new technology this year to improve the experience of the meeting and enhance your ability to interact both live in terms of the voting and in terms of questions.

Before we proceed with the formal part of the AGM we wanted to share with you a number of updates to give members an understanding of our performance in 2020. 2020 was a challenging year for Wesleyan. Before the pandemic we were performing ahead of expectations, but as with other organisations around the globe, the trading conditions associated with Covid-19 led to an inevitable downturn in business and resulted in a financial loss for the Society.

As a business that proudly services critical workers such as Hospital Doctors, GPs, Dentists and Teachers, we heard first-hand how the pandemic is impacting our customers and frontline services, and how as a result, they understandably put aside their focus on their own finances. On behalf of everyone at Wesleyan, I wish to say a huge thank you to those who worked tirelessly to protect us and our families during this time.

While the financial outcomes were not what we wanted in 2020, significant progress was made against the Society's strategic goals and a new transformation plan was put in place to accelerate efforts to be a more efficient and effective business for our members and customers. Mario Mazzocchi, our CEO, will talk more about this in his update, which follows mine. The challenges we faced helped us sharpen our focus on the changing needs of our customers, communities and colleagues, while working hard to protect our business against the impacts of Covid. We also spent a significant amount of time planning our long-term future success.

For our customers we put in place our 'here for you' campaign, which put in place a package of practical measures to support customers' financial needs. These included reducing admin fees by 50% for two months to help our Practice Plan customers, when dental practices were forced to close with very little notice. We also put in place forbearance arrangement and payment holidays for Wesleyan Bank and income protection customers. These conscious decisions contributed to a drop in income, but we believe they were absolutely the right thing to do to support our customers in extraordinary times.

We ended the year with an operating loss of £15.8 million. Largely losses were mitigated by proactive action from the Executive team, including robust capital management and cost reduction measures. Actions taken in the year also resulted in customer service and employee engagement levels reaching new highs.

We remain firmly committed to our mutual status and believe it distinguishes us from many other financial services companies. Despite the economic conditions in 2020, we were pleased to provide members with an additional bonus on their With Profits Fund investments, amounting to an uplift of 1% in returns. We also made a £2.1m contribution to General Insurance policies over the year helping members save on personal and commercial insurance premiums.

Despite the difficulties in 2020, we remained focused on delivering our long-term strategy. We now have a transformation plan which sets out a blueprint for what we will deliver over the next two years. This will help us achieve our strategic ambitions and build a stronger, more sustainable business to benefit members and customers in the long term. This clear-sighted approach will also help us recover more quickly from the effects of the pandemic and the results so far this year are very encouraging.

There are two further highlights for me in 2020. Firstly, the work of the Wesleyan Foundation. It hit a major milestone having donated some £3m to charities, community groups and not for profit organisations since its launch in 2017. In 2020 the Foundation came into its own providing much-needed support for our customers and communities impacted by the pandemic. We supported the mental health and wellbeing of our professional customers as well as funding new devices so children could access online lessons remotely.

The second highlight for me was our focus on conscious inclusion, which has remained a priority for the Society. As a Board, we recognise we need to accelerate our efforts to make Wesleyan and more diverse and inclusive employer and we're taking action to achieve this. We've appointed a dedicated Equality, Diversity & Inclusion Manager to develop out our strategy and we set new targets to have 15% of our senior leadership team come from Black, Asian and Minority Ethnic communities by the end of 2022, increasing to 20% representation by the end of 2025. This compares to 9% at the end of 2020. I'm really pleased to report we're making great progress against the targets we have in place to increase female representation in our senior leadership team. At the end of 2020, 32% of the team were women, compared to 25% the previous year. As a result, we have brought forward our target to achieve 33% female representation to the end of 2022, 12 months earlier than planned. This target then increases to 40% by 2025.

In 2020 there were a number of changes to our Board. The year saw three of our Board members step down from their roles. Senior Independent Director and Deputy Chair Phil Green, Chair of the Risk Committee, Nigel Masters and Executive Director and Chief Financial Officer Ahmed Farooq. On behalf of the Board, I would like to thank them all for their commitment and support over many years.

Gillian Cass joined as Chief Financial Officer and Executive Director in October. She has significant financial services experience and joins us from M&G. She has also held senior roles both in the UK and abroad at PwC and Aviva, and is a qualified pharmacist.

We're also pleased to welcome Philip Moore to the Board, who's an experienced Finance Director and Actuary. He now Chairs our Risk Committee and also sits on the Audit and With Profits Committees.

Finally, I'm delighted to announce that subject to regulatory approval, we will further strengthen our Board with the appointment of Harpreet Sood. Harpreet is a Non-Executive Director of Health Education England and a practicing GP, further supporting our focus on our specialist customers. We look forward to welcoming him to the Board very soon.

Looking to the future, I believe we have very real grounds to feel optimistic. We've made great progress both strategically and culturally, despite the Covid headwinds, and we'll take the lessons learned from working remotely to improve our service to customers and enhance the working environment for our colleagues. We'll continue to invest in our business and make more of our mutuality, so it becomes a real distinguishing factor, and adds more value to you as members. We have consulted with a number of members in recent months on how best to enhance our mutual offering and we look forward to sharing more with you in the future.

Environmental, social and governance factors will be high on our agenda as well as we move to become a more sustainable business. We plan to be carbon neutral in our operations by the end of 2023, and we're looking at further enhancing the sustainability of the investments we make on your behalf, as well as our products. You'll hear more about this in the coming months.

Now before inviting Mario to share his views on 2020, I'd like to say a big thank you to our amazing members and customers for your ongoing support. And a big thank you also to our Wesleyan colleagues for your commitment and hard work in serving their needs, particularly during this challenging period. Thank you and now I'll hand over to Mario.

Mario Mazzocchi: Thank you Nathan, and, yes absolutely 2020 was not the year we expected. So, thanks first of all for the great effort we've seen across all of our members in actually supporting the nation through very dark days and months during the pandemic. So, a heartfelt thank you from everyone at Wesleyan.

So, we certainly started the year in 2020 extremely well. We had a very, very strong quarter one then, of course, the pandemic hit. So, it doesn't come as a surprise that even from a financial perspective, Covid hit all the organisations and Wesleyan was not immune. We made a loss, of about £15 million, but we remained capably strong, which I think is a very, good position to be in. We adapted well and quickly to the challenges of Covid having most of the organisation working from home and still serving our customers in that way. And also, we laid the foundations for the future of this business. We spent an awful lot of time actually considering and thinking about the best way to deliver our strategy in spite of Covid, for 2020, but also for years to come. We fine-tuned, adjusted our thinking so that we are absolutely prepared now to continue with the successes of Wesleyan for many years to come.

We strengthened, progressed, evidenced our strategic plans. The three key drivers to support our mission to 'Create Brighter Financial Futures for the Professions we all Trust' are the same. First is about continuing to be the Lifelong Partner to our members and our customers. Nathan outlined some of the ways we supported in 2020, our customers, our members, all in the space of lifelong partnership, whether it is the focus on mental health needs, whether it is the Wesleyan Wellbeing that was extremely well received or the range of charities we continued to support in 2020.

But also, we are investing in new ways to engage our members. We just launched the With Profits ISA online, which is an opportunity for members to top up or indeed open a With Profits ISA digitally, which is something that I think sits very clearly in the fact that we want to continue to be partners of our members and find ways so that it's easier for our members to do business with us. And also, we've been developing new products and new propositions. We have been investing heavily for example, in the broker value proposition in the Bank which to date had been extremely successful. We want to continue to invest in products which are right for our members, different ways to engage with our members and continue to do the right thing for our members and society.

Secondly, we said last year that we want to be Brilliant to do Business With. That is the second key strategic pillar. The continued investment that we've seen in 2020, continuing in 2021, in terms of resilience of the business, whether it is against cyber-attacks, whether it is an improvement of our IT infrastructure, that all sits with the fact that we are investing in the business so we can better serve our customers. We have enhanced our operations and customer services. We have multiskilled our colleagues, so that it's easier to get members' queries solved and addressed more quickly, because we have now a range of people who can operate across a range of queries from our members. We have invested heavily in digital and specifically, for example, in Practice Plan where now, 60% of all the registrations for new customers take place digitally.

The third strategic pillar we absolutely are committed to is mutuality, but we want to have mutuality with edge. And that means that we want to evolve our culture, that we want to become a more diverse organisation, investing in the skills and capabilities of our colleagues because we want positive commercial outcomes for our members. As an example, we have implemented cost reduction measures in 2020 that were absolutely critical, so that we could lower the loss for 2020. And we saved £1 million in procurement, as an example when we procure services from a third party, we've managed to negotiate and reduce the cost of the procurement spent by £1 million, which is a good example of making sure that we have the positive commercial outcomes for our members, and it certainly sits extremely well with Mutuality with Edge.

All in all, 2020 was not a year any of us was expecting. But I'm delighted with the progress we made in spite of having to deal with a pandemic at the same time. We took decisive actions and I think we will leverage on those decisions so that we can emerge stronger from the pandemic, and I'm certainly looking forward to the next 180 years of success at Wesleyan. Thank you very much.

Gillian Cass: Hello, I'm Gillian Cass, Chief Financial Officer. As Nathan said earlier, I joined the business last October and I'm delighted to be speaking to you at my first Wesleyan AGM. I want to talk to you today about our performance in one of the most challenging years in recent history with the pandemic creating a difficult trading environment for most of 2020. This resulted in a drop in our new business sales and profitability. We did, however, deliver a solid set of results under the circumstances, retaining our capital strength and, as Mario outlined, making significant progress with our long-term strategic plans that will secure our business for many years to come.

Looking at performance over the year, we made an operating loss of £15.8 million. As the scale of the pandemic became evident, we put in place a number of proactive cost saving measures avoiding the potential for more significant loss. As a business that had face-to-face financial advice at its core, not only were we unable to see customers in person, but many of them, particularly medics and teachers, were dealing with the pandemic and had less time to focus on their finances. We adapted quickly to a remote advice model, meeting customers online and hosting webinars so that we could continue to serve those who needed us. As the year progressed, we started to see some recovery, with new business volumes returning more to expected levels. At the end of the year though, overall new business income at £18.4 million was 17% lower than in 2019, and Society new business premiums were 18% lower at £40.6 million.

The eagle eyed amongst you will notice we have rebased the 2019 operating loss figure. This is because we wanted to better demonstrate the profitability of the underlying business, and so we have removed actuarial assumptions from this figure. I believe this gives a more accurate picture of the Society's in year performance.

As you'll hear shortly from our Director of Investments, Martin Lawrence, equity markets were volatile, to say the least, in 2020. We saw a small reduction in assets under management because of this, from £8 billion to £7.9 billion. Our main With Profits Fund returned a negative -1.4%. Its worth remembering though that With Profits investments are designed to be held over the long term, and over the past ten years, this fund has seen a return of 108%, which is extremely competitive. Despite the short-term impact of Covid on the markets in 2020, we continue to believe that equities and property give the best potential for competitive returns for policyholders over the longer term. We therefore took advantage of dips in the market last year to strengthen our funds, buying quality assets at good prices. This puts us in a stronger position to deliver healthy returns in future years. In fact, some of our strongest historical gains have come from companies we invested in during periods of market volatility. We are able to maintain this investment strategy because we are financially strong. This has also given us the resilience to support our members and customers during this difficult time.

I'm pleased to say that our financial strength stayed strong over 2020 and we ended the year with a solvency ratio of 314%. This is much higher than is required by the regulator. Because of this financial strength in a year when most organisations were reducing dividends to shareholders, we were able to pay our highest ever Mutual Bonus. We invested almost £30 million in enhancing the returns for members in the With Profits Open Fund. Financial strength also allows us to safeguard the future of this business. We're proud to celebrate our 180th anniversary this year, and we are committed to building a stronger, more sustainable business to benefit members and customers both today and for many years to come. That's why we invested £28 million in our infrastructure last year, and we're continuing on the same trajectory this year.

To round up 2020, I'd like to give you a quick overview of the performance of two of our subsidiary companies. Practice Plan and DPAS, the dental membership arms of our business, delivered a £5.6 million operating profit. This is despite halving fees for two months to support dental customers impacted by practice closures in the first lockdown. Wesleyan Bank grew the loans and advances on its balance sheet by 38%, while also supporting customers impacted by the pandemic with loan forbearance arrangements.

To summarise 2020, I would say our long-term focus and capital strength enabled us to endure the difficult conditions of the year. We took a hit on income, but we enhanced our operations, becoming more digitally adept and serving customers remotely. Our considerable investment in our business will put us in a strong position as we emerge from Covid and continue with our growth strategy. We are developing a customer focused operating model that will enable us to grow the business at lower cost, thereby protecting our responsibility to you, our members.

Finally, before I finish, I just want to give you a brief update on how we're doing so far this year. I'm delighted to say it's been a very strong start to the year. All our business areas are performing above target, despite the fact that we're still emerging from the pandemic. Our customers are seeking advice and looking at ways to invest their money. We've had a very successful ISA season, helped by our new digital ISA journey and recent presence on aggregator sites. Both Practice Plan and DPAS are attracting high customer volumes, with the Bank also ahead of its targets. Clearly, we can't be complacent, and we know we have a challenging seven months ahead, so we're not resting on our

laurels. But it has been encouraging to see the year start off so well. We will maintain a relentless focus on cost management over the coming months and continue to optimise our resources to maximum effect as we seek to deliver the best outcomes for you our members.

I'll now hand over to our Director of Investments, Martin Lawrence. Thank you.

Martin Lawrence: Hello, I'm Martin Lawrence. I'm going to spend the next few minutes talking to you about global markets over the last 12 months or so and what this has meant for the investment funds we manage at Wesleyan.

It was a year of two unequal halves for investment markets last year. If we start with the first 10 months, January 2020 was fairly promising. However, just a few weeks later, in mid-February, markets began to turn their attention towards Covid-19, and in a matter of days the virus, and its growing impact, had gained their full attention.

In living memory, there has never been a virus that has affected normal daily life on such a scale. The international lockdowns put in place to help control the spread of the virus also threw multiple spanners in the works for businesses, and many companies were forced to simply shut up shop. Among the worst hit were those businesses in the travel, leisure, financial and energy sectors.

The UK stock market suffered more than many of its peers around the world, largely because of its composition, with a greater number of companies in the sectors I've just mentioned, and fewer in areas that benefit from a working from home environment, such as technology. The UK was also shunned by international investors because it was perceived as being riskier, with ongoing issues such as Brexit.

The recovery from those sharp falls was quicker in markets such as Germany, with its robust manufacturing sector, and the US, where markets benefited from some of the big technology names like Apple, Netflix, Microsoft and Facebook, which did well during the pandemic, largely due to people spending more of their work and leisure time at home.

In the last two months of 2020, things changed for the better. On 9 November successful trial results were announced for the Pfizer BionTech vaccine, which was very welcome news for markets, and they reacted positively to this new light at the end of the tunnel for businesses and economies. This optimism grew as more effective vaccines were announced. There have been bumps along the road for vaccination programmes in many countries, but enough progress is being made to keep markets reassured, and the UK is among those countries leading the way on vaccines.

Cash returns were already low following the global financial crisis, but were cut to virtually zero in response to Covid, and this is unlikely to change for the short-term future.

Over the medium term, we expect interest rates to go up. That is why we have steered away from bonds as an asset class and why we still have a preference for equities, and UK equities in particular. You may wonder why that is the case, given the UK's market weakness in 2020. However, it's precisely because of that weakness that UK-based companies now look more attractive and offer greater potential for long-term growth and higher customer returns. This is especially true when compared to the likes of some US equities which are now sitting at near-record high valuations and offer fewer opportunities at current prices.

2020 was a disappointing year for the performance of our multi-asset funds, including the With Profits Fund, because of our positioning towards UK equities. But, so far in 2021, the UK market has had a much brighter start and, as a result of factors such as a leading vaccination programme and the gradual reopening of the economy, the UK has started to close the gap that opened up with other markets last year.

Taking our in-house and external research into consideration, we expect to slowly shift our focus towards more overseas equities, but only where we can see a clear potential for future returns, not as a knee jerk reaction to underperformance. However, despite weaker fund performance in 2020, the benefits of our fund management decisions and holding our nerve can be seen in 2021 to date, with positive shift in fund performance.

As part of the excellent work being done to improve Wesleyan's overall sustainability, in the last 12 months we have expanded our Socially Responsible Investment Team. They work alongside all our Fund Managers and Investment Analysts to challenge and debate proposed investment decisions and to assess potential investments through a sustainability lens, considering a broad range of Environmental, Social and Governance factors as part of their analysis.

Sustainability is increasingly at the heart of the way we manage our funds, not just because it's the right thing to do as a mutual organisation, but because it now makes clear financial sense. We want to invest in companies that embrace sustainability, because they are more likely to perform better than their competitors over time, which leads to higher returns. After all, that is what our team is here to do to maximise the long-term financial returns for every customer who trusts us with their money. To invest every pound as if it were our own.

Jessica Wilkes-Reading: Launched in 2017, the Wesleyan Foundation has, to date, awarded over £3 million to 500 causes benefiting 100,000 people. The aim of the Foundation is twofold. Providing local grants to support local needs through a network of community foundations and providing funding to strategic partners to help support the needs of our customers, our community and our employees.

In 2020, like most things, we had to change our approach. We responded to the coronavirus pandemic by pausing our large and small grants programme. This enabled us to use our funds to support the Heart of England Covid Resilience Programme. On top of that, we also made a £65,000 donation to the Titan Partnership to provide digital devices through their Computers for Children campaign. We also worked with NHS Practitioner Health and the Dentist Health Support Trust to help the mental health of our professions. We also provided a number of other grants to small, medium and large organisations across the UK to help them with the response to the pandemic. There's a section about this in our latest impact report.

Wesleyan are delighted to confirm we've released another £1 million to the Foundation this year and it's already having an impact. We've restarted our small and large grants programmes, and we've also awarded money to some really great causes. These include Doctors in Distress, the Anna Freud Centre and Aston University, as well as our first round of large grants being awarded in March.

Finally, we want to hear from you about the causes that matter. We've recently launched our Mutuality Fund and you can find out how to apply, and more information about the Foundation by visiting our website.

Nathan Moss: Well thank you Mario, Gillian, Martin and Jess for the updates, it is great to see the progress we made in such a challenging year. Now before we begin the formal voting element of the AGM, I would like to invite questions from members and we have the Board available to support me in answering those questions. I would also like to invite our Chief of Staff, Nathan Wallis to help me facilitate the questions. Over to you Nathan.

Nathan Wallis: Thank you Nathan and good afternoon members. If you have any questions for our Board today please click the "ask a question" icon which should be just below me on the broadcast, on the bottom left hand side of your screen. .

So, whilst those questions filter through to me, I should confirm if for whatever reason we don't get through them all today we will publish full responses to all questions on our website after the AGM.

So, Nathan, first question is from Dr Gunstone. "Do your employees earn above minimum wage salaries?"

Nathan Moss: Well, the Board looks to our Remuneration Committee to oversee all aspects of our Remuneration policy, perhaps I can use this as an opportunity to ask our Chair of the Remuneration Committee, Linda Wilding to respond to Dr Gunstone's question. Linda could you join us, thank you.

Linda Wilding: Dr Gunstone the answer is yes, all Wesleyan employees are paid at least the living wage. That is set annually by the Living Wage Foundation and is actually higher than the minimum wage set by the Government. Then every year when we do employee salary reviews we make sure that we put increases in line, so we maintain at least the living wage for all Wesleyan employees.

Nathan Moss: Thank you Linda. I hope Dr Gunstone, that's given you the information you need. Nathan, back to you.

Nathan Wallis: Thank you Nathan, thank you Linda. Next question is from Mr Lowe. "Wesleyan is known for being financially strong in the past, but has this position deteriorated relative to competitors as a result of the Covid-19 pandemic?"

Nathan Moss: Very good question, I'd like to invite our CEO, Mario Mazzocchi to answer that one. Mario if you could join us please.

Mario Mazzocchi: Thank you Nathan and good afternoon everyone. Yes, great question Mr Lowe, the answer is yes so in spite of the pandemic we've absolutely remained financially strong. A good way to look at it is the Solvency Ratio which is a very good indication of our financial strength, which as Gillian was saying in her presentation is still above 300% which is industry leading. More importantly financial strength gives us strategic choice, either to invest in the business or, and/or invest in our members value, such as the member bonus that we paid in 2020.

Nathan Moss: Thank you Mario. Maybe another aspect, Mr Lowe, of the question was did the insurance results get impacted by Covid-19 and the answer is in no material way, so it hasn't impacted our financial strength. The only impacts are from markets which obviously fluctuate at the time, but we remain very financially strong as Mario has pointed out. Thank you very much for the question now back to Nathan Wallis.

Nathan Wallis: Thanks Nathan, so the next question is from a Mr Romieu-Crosse. "I'm still awaiting my Pension Statement for the year ended 5 April 2020, furthermore the information provided on My Wesleyan has been incorrect for many months while it awaits rectifying by a third party. Is Mr Neden content these worrying deficiencies are not indicators of more systemic problems that may be affecting Wesleyan?"

Nathan Moss: A very important question, Andrew Neden our Chair of the Audit Committee is with us and I think he should respond. Andrew can you join us please.

Andrew Neden: Thank you Nathan and thank you Mr Romieu-Crosse. I could give a short answer to this which is yes, I am content that this is not indicative of more systemic problems, but I think it deserves a longer answer to explain why I've come to that view.

Let me back up a bit. Firstly, we are very sorry you've had some challenges in your dealings with Wesleyan. I know our team have investigated your concerns and are responding directly on the specifics of your case. I'm grateful for your persistence in bringing it to our attention and your patience as we deal with it.

There are two parts, with regards to your experience with My Wesleyan, we are aware of the issue you've raised and are working with our third-party supplier to rectify that in the next few weeks. For you and our other customers our biggest concern was and is to make sure that your underlying policy and associated returns are not impacted. But, its not satisfactory to us that you and others are getting the wrong information.

Secondly, on the Statements issue, I'd like again, to answer more broadly to reassure you about the actions we are taking. For those of you with the patience I could refer you to pages 48 of the report which sets out the Board discussion that we've had on this issue; and also pages 63 and 80 which talk about the focus that the Risk and Audit Committees have given this as well. I don't want to gloss over this, we are acutely aware that our Statement process has caused frustration with customers that have been waiting too long to receive them and we are very sorry for this. The Statement process is a largely manual one; our systems were not set up originally to give the specific charge information which the regulations now require us to provide. To ensure the quality and accuracy of those we've had to put in place checks and cross checks which have led to these delays.

Part of the Transformation programme that we talked about earlier is set to address those challenges. We are investing and working on automating the process so that we can deliver the level of service that our customers deserve in the future.

Back to your wider, specific question – does this indicate wider systemic problems at Wesleyan? We are content that the underlying systems combined with our checking processes ensure that customers end up with the appropriate returns and payments. But the speed and accuracy of information provided is something we are not satisfied with and the Executive and Board are working hard to put that right for the future. I hope that answers your question, do ask more if that hasn't covered it. Back to you Nathan.

Nathan Moss: Thank you Andrew, for that comprehensive answer, I think I would just reinforce how important it is to us to get it right for customers in all circumstances. We have spent a considerable amount of time, as Andrew explained, delving into this particular set of issues to make sure we are addressing them and holding the Executive to account to make sure that the improvements come through. I hope that answers the question but of course please do come back if there is any follow up and we will follow up with you and give you any more detail that is required. Let me hand back now to Nathan Wallis for any further questions.

Nathan Wallis: Thank you, next question, "Will you be paying a mutual bonus in 2021?"

Nathan Moss: Very good question, we have our Chief Financial Officer with us, Gillian Cass. Gillian do you want to respond to that, can you join us for this question.

Gillian Cass: Thank you Nathan, and a great question. So, as a reminder the mutual bonus is paid out of our available surplus capital and you've heard me talk about it earlier. We do have a good capital base; however, we are still in a period of economic uncertainty so we are not yet able to confirm if we will pay the mutual bonus but, we will communicate when a decision has been made.

Nathan Moss: OK thank you Gillian, obviously a key item for the Board which we will keep under review and we will make announcements when appropriate. Thank you for the question. Nathan back to you.

Nathan Wallis: "Ethical investing is becoming more of a concern in a time of climate crisis, can you tell me what you are doing to ensure my investments aren't causing harm?"

Nathan Moss: Yes, ethical investing, let's ask our Investment Director what our approach is to that. Martin Lawrence are you available now to join us and talk through that question.

Martin Lawrence: Thank you yes, good afternoon. Great question, we are taking this issue of sustainable investing very, very seriously indeed. Let me give you some examples. We now have targets in place across all of our funds, so these are Environmental Social & Governance (ESG) scoring targets as well as carbon footprint targets; and we will regularly review those to make sure that they remain appropriate for all of our funds. Particularly as the ESG data becomes better and more reliable for us. We've also put in place a dedicated SRI team, a Socially Responsible Investment team and they work alongside our existing Analysts and Fund Managers and this allows us to assess investments through a sustainability lens as well as the financial lens and the returns lens that we've always done.

In practical terms, what does that mean, let me bring that to life. That means there may well be companies now, where we simply won't invest; or, for others where we remain invested, we will engage far more with the management of those companies in order to bring about real change within those businesses. Even if, ultimately, we end up still disposing of those shares if we don't feel that we are able to make an impact. We'll also do more collaboration, so we will collaborate with independent industry bodies to help us in bringing about this change in making a difference. One example I think I'd give you; we've recently just signed up to the UN PRI. This is the United Nations Principles for Responsible Investing which will help us in this cause. So, I think we've made great progress, but we will continue to review that approach and of course we will listen to the views of our members and investors going forward. So, a really important topic but hopefully that's given you a bit of a flavour about what we've done so far. Thank you.

Nathan Moss: Thank you Martin, this has been a big topic for the Board, as Martin knows we've taken a very close interest in how the Investment team are approaching ESG matters and they have developed their investing approach as Martin has outlined. You can read more about our overall approach to Sustainability in the Annual Report. It will be a topic of ongoing development, both on the investing side and more broadly for our product development as we go forward as I said in my opening remarks. So hopefully that's answered your question but please do follow up if you have a follow question to ask. I'll just pass back to Nathan Wallis to see if there are any further questions.

Nathan Wallis: I think there's just one final question Nathan at this moment in time. "Your Annual Report and your presentation talk a lot about having an inclusive workforce, what are you doing to do this at the more senior levels of your business?"

Nathan Moss: Yes, our approach to inclusivity, diversity and equality stretches throughout the business, if you like, from top to bottom. We want to see the Wesleyan as a place that everyone feels comfortable working in and is encouraged to come to. Some of the things that we've done I outlined in my opening remarks in terms of our focus on targets for the business and part of those targets apply to the Board and Senior Management in terms of how we look at gender, how we look at ethnicity, how we look at equality in all sorts of different guises.

In the last year we've improved our position in terms of Women in Senior Management and we've set targets to improve that even further. In terms of ethnicity we've got further to go, and we intend to give that even more of a focus as we go forward. At the Board level we've just appointed Harpreet Sood to join the Board and that's all part of trying to bring in people who will give us an extra dimension to our Board conversations. Harpreet is a practicing GP and sits on the Health of England Board and is someone who knows our marketplace and knows the medical profession well and can add another dimension to discussions. So, all the time we are looking at Board level and Senior Management and throughout the company to push forward this really important agenda. It's important for our staff to feel really included and to thrive at work, and it's important for our customers because people who understand the customer best probably come from those diverse backgrounds.

Thank you Nathan I think that probably then concludes our questions does it?

Nathan Wallis: It does, that's it, that's all of them and we will publish those on our website after the event.

Nathan Moss: Well can I thank everyone for asking a question today and thank my colleagues for answering our members queries. We are now going to move to the voting on the resolutions in the notice of the meeting that you have received in advance. For those of you who have decided to cast your votes today, you should see the resolutions on the right-hand side of your screen.

Voting for all resolutions is now open. I'm going to read out the resolutions in turn and you should be able to click through to each of them using the "next" button. Please vote for each resolution as we move through and I will allow a short window of time at the end before moving to the closing of the voting when the results are shared with you. Full details of all votes received will also be given on the Society's website after the AGM.

Our first resolution proposes that the Annual Report and Accounts for the year ending 31 December 2020 be received. Please vote now.

On Resolution 2. Since the last Annual General Meeting Gillian Cass has been appointed a Director of the Society and confirmation of her election by members of the Society is required. Gillian officially joined the Board in November 2020. Please vote now to confirm Gillian Cass as a Director of the Society.

Resolution 3. Since the last Annual General Meeting Philip Moore has been appointed a Director of the Society and confirmation of his election by members of the Society is now required. Please vote now to confirm Philip Moore as a Director of the Society.

We now move to Resolution 4 on your screens. Under the Society's Rules at each Annual General Meeting all of the Directors retire and seek re-election. Following a performance evaluation, the Board

is satisfied that each of the Directors is performing effectively and with commitment to their role. You can now vote to re-elect each of the Directors in turn.

For the re-election of Nathan Moss, please vote now

Resolution 5, For the re-election of Martin Bryant, please vote now

Resolution 6, for the re-election of Mario Mazzocchi, please vote now

Resolution 7, for the re-election of Ian McCaig, please vote now

Resolution 8 on your screens, for the re-election of Andrew Neden, please vote now

Resolution 9, for the re-election of Anne Torry, please vote now

And the last director seeking re-election, Resolution 10 for Linda Wilding, please vote now

Thank you, ladies and gentlemen for your votes.

We now move on to Resolution 11 on your screens that proposes that Ernst & Young LLP be re-appointed Auditors of the Society to hold office until the next General Meeting at which accounts are laid before the Society, and that the remuneration of the Auditors be fixed by the Directors. Please vote now.

Our final resolution is an advisory vote seeking approval for the Annual Report on Remuneration shown on pages 64 to 77 of the Annual Report. I will allow a slightly longer pause after this vote to allow members to complete all votes before we publish the results. Please vote now.

Thank you. Results of the votes taken during this meeting will be available in a moment. Please click "See all resolutions" to display the results. I can confirm that together with votes received before the meeting all resolutions have been passed. Full details will be published on the website after today's meeting. That concludes the formal voting today.

I'd like to thank all of our members for taking the time to vote in this year's annual general meeting. I am pleased to confirm that the Society will donate £5 to good causes supporting the mental health of doctors, dentists and teachers, for each member who voted, including those votes cast today, so we anticipate a total donation of over £19,000, so thank you for that.

In addition, we estimate that we have saved around 500 trees this year by providing an electronic version of our AGM papers to members who have chosen this method of communication. If you are able to support our drive toward carbon neutrality and are happy to move to electronic papers next year please let us know by emailing us at agm@wesleyan.co.uk.

Please remember that if you want to ask any further questions today, you are able to do so by emailing agm@wesleyan.co.uk and answers will be published on our website and formal minutes of the meeting will also be published.

Ladies and Gentlemen, this concludes the Annual General Meeting. Thank you once again for your attendance and ongoing support for the Wesleyan. Thank you very much.

Wesleyan Assurance Society
Annual General Meeting – 27 May 2021
Voting Results (including proxy votes)

Ordinary Business		For	Against	% In Favour	Withheld
1	To receive the 2020 Report and Accounts	3,763	21	99.4	63
2(a)	To appoint Gillian Cass as a Director	3,706	64	98.3	77
2(b)	To appoint Philip Moore as a Director	3,669	87	97.7	91
3	To re-elect as Directors:				
(a)	Nathan Moss	3,660	91	97.6	96
(b)	Martin Bryant	3,679	79	97.9	89
(c)	Mario Mazzocchi	3,667	89	97.6	91
(d)	Ian McCaig	3,664	85	97.7	98
(e)	Andrew Neden	3,665	85	97.7	97
(f)	Anne Torry	3,681	80	97.9	86
(g)	Linda Wilding	3,683	79	97.9	85
4	To-reappoint Ernst & Young LLP as Auditors	3,659	111	97.1	77
5	To approve the Annual Report on Remuneration for the year ended 31 December 2020 (advisory vote only)	3,607	150	96.0	90
TOTALS – 2021 (Average)		3,675	85	97.7	87
TOTALS – 2020 (Average)		3,095	80	97	44
TOTALS – 2019 (Average)		3,781	104	95.8	60

TOTALS – 2018 (Average)	5,504	132	97.7	57
2017 (Average)	4,157	114	97.3	54
2016 (Average)	6,947	146	97.9	58
2015 (Average)	7,061	136	98.1	58
2014 (Average)	4,433	110	97.6	36
2013 (Average)	4,939	119	97.6	Not available
2012 (Average)	4,546	113	97.6	
2011 (Average)	4,540	119	97.4	

Selena Pritchard
Company Secretary
30 June 2020