

Wesleyan Assurance Society
Minutes of the Annual General Meeting

held at

Wesleyan Assurance Society, Colmore Circus, Birmingham

on

Thursday 23 May 2019 at 2.00 pm

Nathan Moss: First of all, Ladies and Gentlemen, welcome to the 2019 Wesleyan Annual General Meeting. It's a pleasure to have you all with us and I would say because it's been a very warm day outside, it's very warm in here. You can see that some of us have taken the opportunity to take our jackets off, please do so if you feel so moved.

Now before we begin the voting procedures, we would like to share with you some of the key activity that took place in 2018 and also take a brief look at how 2019 is shaping up. You'll have found the Annual Report on your chairs. Full details of the 2018 performance are found within that Report. I should say this is live with all Wesleyan Staff, we are filming it and it will be on the website too, so you are participating in a social media event. This afternoon we are going to have Ahmed Farooq, our Chief Financial Officer give us an overview of 2018 performance and how the first quarter has shaped up and we are going to have Robert Vaudry, our Chief Investment Officer talk to us about both 2018 and probably more to the point how markets are shaping up into 2019. To get the ball rolling, and, in a bit of a departure from previous years, rather than reading out a statement of Wesleyan's performance we thought it would be helpful if I invited up Nathan Wallis, our Communications Director to ask me a few questions and deal with some of the topics that you probably have on your minds. So, Nathan, please join us and fire away so to speak.

Nathan Wallis: Hello everyone, nice to see you all. A couple of weeks ago we filmed a film for the website to summarise how the year went and we thought it went alright so we will duplicate it here! You'll see a similar thing online afterwards. First and foremost, Nathan, your first full year as Chair, I wanted to get your take on what sort of a year it was through your eyes.

Nathan Moss: Well, I suppose if one looks at the external world it was a year of great uncertainty driven by global events that impacted a lot on markets which were very volatile and when you look at December of 2018 I think we had the worst December in decades in market terms, so if you then look at Wesleyan and its performance it's really done extremely well. First of all, our customer retention has been terrific and that's driven our operating profit performance which Ahmed will talk to shortly. And then if one looks at investment performance, our performance has really stood out and Robert will obviously go into some of the detail, but against our benchmarks, the With Profits Fund has really had excellent performance which is really pleasing and from a member's point of view it's critical. Lastly, I would say our capital ratios. We've always had prudent financial management in this business and when we look at our capital ratios, again Ahmed will be giving us a precis of how we've done in 2018, and you'll see that we have real financial strength. Of course, when you have real financial strength you can benefit members and last year we paid out £28m from surplus capital. That's an additional 0.9% return in addition to With Profits returns. That's very meaningful.

Nathan Wallis: Absolutely. From the Report and Accounts that everyone has in front of them you can see all of those positives and more set out, but it also covers some of the challenges we've faced so I thought we could talk a little bit about that and what we faced last year.

Nathan Moss: Well, the greatest challenge which is clear in our Report and Accounts was implementing our new Point of Sale and Customer Relationship Management systems. It didn't go according to plan and we had technical difficulties. A lot of staff were involved in a lot of work to implement that system and get it working as we planned it to. Inevitably in the short term that impacted on our New Business performance and Ahmed will cover that. What I am pleased about is that we were able to ring fence the impact in terms of customer experience, so our customer service held up very well, our Net Promoter Score which is a measure of the recommendations that our customers are making of us, were still industry leading so that holds us in good stead. These [system] investments are for the long-term. They will mean slicker customer service and better support to our advisers out in the field. So, we got through the year and in Q1 this year things have started to improve.

Nathan Wallis: The nature of a general meeting and the documents we're looking at give us a 12-month picture but we all know that performance stretches out wider than that so how did last year contribute to our strategic ambitions in your eyes?

Nathan Moss: There's probably two or three areas I can pick out that we've made good progress in. In addition to the investment in front office systems I've just been talking about, we've also invested further in our digital capabilities. If you look at the modern world, customers want to deal with you in all sorts of different ways and we have to marry up our face-to-face services and advice with having 24/7 capability and we have made significant progress there. We will be redesigning and relaunching our customer dashboard which you will see later this year and I think this will be a great step forward. On retirement, increasingly this is an area of opportunity and one in which our customers want help in terms of planning. We have expanded our service beyond our traditional base of teachers into the other professions. We have a lot of value to add in terms of our expertise so that is a step forward. The last thing I will mention is a big back office migration. We do have some old clunky systems from the Society in the past. We are migrating off those systems onto a new platform and that will complete during the course of this year and will set us in really good stead.

Nathan Wallis: Fantastic. What stood out personally for you in the year?

Nathan Moss: There are three things I refer back to about 2018. It was my first year as Chair and the first thing I would say is the people in this business. It's a real privilege to be the Chair and leading in that sense. We have such committed people and people who really care about their customers and what they do in the community so that's great and I feel really good about that. We are very lucky, and we need to support our culture going forward. I also think we are fantastic in the way we support local charities as well. Our Foundation reached a major milestone in 2018 and we've now donated over £1million to charities up and down the country. Often small amounts of money, but making a real difference to people's lives and I was able to experience that first-hand when we had a celebration for getting to that milestone last year. Last but not least, is our commitment to diversity and inclusion. You can't be a dynamic business, in my view and the Board's view, unless you have a diverse workforce. You can't understand your customers and community if you don't have diversity. We have made a lot of progress in the last 12 months on that front in terms of policies and practices and enhancements, but we have a long way to go and that's a big commitment for us strategically.

Nathan Wallis: I agree, absolutely. Without wishing to trample upon the formal proceedings of the AGM, there are a couple of new faces in the room today so there have been a few changes to the Board and governance so could you talk us through those?

Nathan Moss: Yes, we have had a few joiners to the Board. I'm pleased to introduce Ahmed Farooq. Nine years in Wesleyan and he has really come through the ranks, which is fantastic, and he has made a tremendous contribution to the Board already. Anne Torry brings with her over 30 years' experience and has really helped the Board in its deliberations, so two really great hires and they are already both making significant contributions. We also had some important retirees last year, senior officials of the business. Doug Bright retired as Company Secretary, so we had to look for a successor and Selena Pritchard has joined us as Company Secretary and is doing a terrific job. We also had the retirement of Tim Pindar who was both our Chief Actuary and With Profits Actuary and we decided to split that role in terms of succession and I'm really pleased to introduce both James Needham as Chief Actuary and Jonathan Welsh as With Profits Actuary who are both tremendous assets to the company.

Nathan Wallis: Last question from me, how are you feeling about the year ahead? A quarter in, but a long way to go.

Nathan Moss: I think we can be fairly confident about where we are. We've made major investments in our infrastructure and capabilities and over the next 18 months to two years we will have to start leveraging the benefits out of that. We can serve a broader range of customer needs as a result of what we are doing. The investments and retirements initiative and the way we are shaping our operations to become much leaner and more efficient, that will become really important in terms of offering value for money as we are in a very competitive marketplace all the time. So, I think yes, we've made big strides forward which we can leverage, and we have real financial strength, so we can withstand some of the economic shocks and we've seen that happen. I don't think uncertainty is going to go away. We can't be complacent either. Our professions are changing at a rate of knots and we have got to change with them. So, we have to use our insight and be agile, be in a test and learn mode and this will demand more of our culture and more of our people. This year we are trying to encourage that agility increasingly in terms of the way we go forward and we will be launching a new set of values and behaviours, building off all the good stuff we already do but to encourage that learning culture that we need in this business and striving for more and better as we move forward.

Nathan Wallis: Wonderful, thanks for your time and thank you everyone.

Nathan Moss: First of all, we have Ahmed Farooq coming up to give us insight into 2018.

Ahmed Farooq: I thought it would be useful to give you an overview of 2018 performance from a financial perspective. 2018 was a significant year for the whole Wesleyan Group as we continued to lay strong foundations for our future growth. We made important strides forward with some key strategic initiatives, although there were some challenges and we recognise we have yet far more work to do.

For our members, it was an excellent 12 months with a number of initiatives in place to ensure they shared in the Society's success. These included...a 6.6 per cent increase in gross annual increase to With Profits investors after smoothing, massively outperforming the UK equity markets, which were negative in 2018. In addition to the 6.6%, we paid out an additional £28 million into the With Profits Fund to boost investment returns, representing an uplift of 0.9 per cent and finally a £1.6 million financial contribution was made to provide member discounts on selected insurance policies.

Nathan has already highlighted our financial strength and we maintained our position as one of the financially strongest financial services organisations.

After the £28 million additional payment just mentioned, our own funds at £651 million remain well above regulatory requirements, allowing us to maintain our high equity backing ratio in our investment portfolio.

As can be seen on this graphic, I've taken 2018 numbers from a number of financial services organisations. Shown here in the grey circles is the amount of capital other companies hold in comparison to their requirements. Appreciating, I'm not showing the names of those organisations here, but the lowest is holding 133% of capital required and the highest 216%.

As at the end of 2018, Wesleyan held 376% of its required capital, meaning we can continue to keep a high equity backing ratio in our investment portfolio as we are better equipped to ride the peaks and troughs of the markets. We maintain that our equities over the long term give the best returns and Robert can discuss our investment strategy in particular.

With regards to our financial performance in 2018, Wesleyan increased its operating profit to £10.6 million, up from £8 million in 2017. There was however a fall in premium income.

This was in part due to the delayed implementation of our new internal IT systems, which meant both our Life & Pensions business and the Wesleyan Financial Services advice arm performed below anticipated levels.

However, thanks to the hard work and dedication of teams across the business, steps were taken during the year that put them both in a strong position for growth in 2019. We seek to increase new business levels and provide an improved service and experience for customers.

Our subsidiary companies, Practice Plan and DPAS, the dental membership arms of the business, delivered targeted operating profits in 2018, while Wesleyan Bank grew the assets on its balance sheet by 29 per cent.

Our General Insurance business, which provides a range of personal and commercial products, also enjoyed a strong year as it continued its focus on commercial insurance products.

Demand for our Professional Indemnity Insurance product, which is specifically targeted to lawyers, enjoyed its highest year to-date as legal professionals took advantage of our specialist insight into their profession.

Despite the shortfall in premium income in 2018, our long-term trend holds well, as can be shown here with new business premium growing 45% from £27.6m in at the end of 2008 to £40m in 2018. Our total assets under management back in 2008 were at £4bn and that's grown to £7.3bn in 2018. So, we do see 2018 as being a bump in the road.

That's a lot about financial metrics so I'd like to highlight two key non-financial metrics. Our Net Promoter Score. The scale for this can go from -100 to +100. Wesleyan's Net Promoter Score which represents how likely Wesleyan's customers are to refer us to family and friends ended the year at +46 compared to an industry standard +13. The second result that we are passionate about is our employee engagement score which is a measure of how people feel about working at Wesleyan. This is measured by a twice-yearly survey carried out by an independent provider. We finished 2018 with an engagement score of 7.2 out of 10 which is a small fall in comparison to 2017 but did grow during the course of the year. We are working incredibly hard to ensure further success over both areas during 2019.

Looking ahead to 2019, it clearly is a pivotal year as we begin to work on the next phase of our strategy. I am pleased to advise that, as indicated earlier, 2019 has been a stronger year so far and Premium Income by way of an indication of this in quarter 1 stands at £91.7m and that stands against a figure of £77.4m against the same period last year – an improvement of 18% year on year.

In summary, we are delighted that we have been able to benefit our customers in 2018 and we are delighted that our customers continue to show their trust in Wesleyan as a specialist partner to them – our trusted professions – we want to ensure we can provide a full range of products and services to meet your personal and professional needs across a broad range of channels so [you] our customers can engage with us however, and whenever, [you] want.

Nathan Moss: Thank you Ahmed and may I now ask Robert to come up and give us a view from the Investments side.

Robert Vaudry: Thank you, Nathan, afternoon everyone. On election day for the European Parliament, and the government is in meltdown, you are probably expecting me to talk about Brexit today and believe me I won't disappoint you. What I want to start off with is to talk about things that do matter more when you are looking at global investing. It's not all about Brexit and it's not all about the UK. The obvious place to start is about what's happening in the US. So, when you think about the US, believe me the US, over my 30 years of investing, is going to drive what happens in the UK markets and other markets around the world. When you think about the US you have no option today but to think about what Donald Trump is doing. Donald Trump's instructions to the West Wing is that he has to rank number 1 on Twitter every day and almost without exception he has achieved that since he has become president. The second thing he is now focused on is getting re-elected in November 2020. So, what he cares about, and he borrows the phrase from Bill Clinton, is 'it's all about the economy, stupid'. A very effective phrase for Bill Clinton but is actually now subliminally impacting how Donald Trump is managing the US economy. What have seen him do of late? Last year we saw him cut taxes which was a big boost to the circulation of money. Last year and this year he has battered the Fed no end so that you have gone from a Fed that was indicating it would raise interest rates during the course of the year to one that is saying that neutral is good and if anything, it may actually cut rates in due course. That is a massive change of policy and probably came about in a way that was never anticipated - that a president would put pressure on an individual who runs the Fed who can't respond. He cannot go on Twitter and criticise the President, so I think no human being can put up with that pressure. He has prime-pumped the economy by increasing borrowing to levels we have never seen before and he has also spent an awful lot of money on infrastructure in the US. Some of that is valid spending, particularly after the hurricane season last year – investing in the Southern states, in Texas and in Florida. But some of it, as we saw yesterday, is going to subsidise the farmers who will be hit by the potential of a trade deal or a breakdown of trade between the US and China. So, there is all sorts of money going in as well as Quantitative Easing (QE). It was all meant to be tightened up this year and now everyone is saying we've done a little bit, we're going to stop doing that now. The bottom line is, the US is going through, and I think will continue to go through until the next election, a 'boom' period. Everything you can do to improve the outlook of that economy, Donald Trump is doing. There's no one saying actually do you want an economy as prime-pumped? What I suspect we are heading for at some point, and of course the billion-dollar question is knowing when that point is, is when do we all get to the edge of the cliff and begin to fall over?

I think there are four key risks we have to look out for. One is his political capital, and does he get impeached. I think it is unlikely because the Senate has to vote it through with a 2/3 majority and that will probably never happen, but it could damage him. Second is consumer confidence. So long as the consumer is still spending the economy will ride the curve with it. Third is inflation. We are in a period of full employment in the US. The new figures came out

a minute ago and new claims are down again. It's a remarkable period in economies where we have full employment around the world but what we haven't got is the inflation that comes with it - the Phillips Curve it's usually called and that isn't kicking in. He is riding that curve. The fourth will be the trade wars – is he going to have a trade war. Now we've seen recently that he has done a deal with Mexico and Canada and it hasn't changed much despite him saying it's the best deal ever. He has now pulled back from having an immediate trade deal with Europe which is good, but he is in the middle of this battle with China. So, he's taking on China and I think a miscalculation he has made is thinking he has the upper hand. Thirty years ago, when all these trade deals were done, China was an emerging economy that everyone was doing a favour and creating an environment to allow it to trade. It's now the second biggest economy in the world. It is a phenomenal power and President Xi unlike Donald Trump hasn't got an election. He declared at the last congress they had in China and Beijing that he is now President for life. In that situation Xi doesn't have to worry about what the public think of him. I will be in China next week and I want to go to see Huawei who you are probably aware of as a tech company and about 5G. I wonder if this is not really about the big trade deal but it's almost a battle of minds now between China and America. Huawei, rather than be a copier of technology is now actually maybe ahead of a number of many American counterparts. It's really America trying to stop Chinese development, so I will be spending a day at Huawei. Then I will go to Beijing as I am very keen to see what's really happening with these trade negotiations. It happens that a very good friend of mine is our trade negotiator, so he is the guy under Liam Fox who will negotiate our trade with Beijing. I have to say I think deep down he is going to tell me he has no anticipation of doing a deal.

I first went to China and became a Chinophile in 1991. When I went there I was part of a delegation that went to Shanghai at the time and we met the Mayor who later became the president. In a room this size he had a model of how Shanghai was going to develop over the next 25 years. This was at the same time Canary Wharf was starting out. I lived over in Asia for a while and every time I went back to Shanghai it was like de-ja-vu seeing the buildings that were in his model. They had a 25-year plan and they don't worry about planning permission. So, when they have a plan they can stick to it. And when you have over a billion people sometimes you need that ability to get things done and I think China is now on that cusp of getting things done and giving America as good as it's trying to give them.

This leads me into the third key issue which is Brexit. So, last year UK markets underperformed due to a trillion dollars being taken out of UK equity markets because of market uncertainty, a weakness in Sterling and general uncertainty. It's a mess and it has been a mess for ages. We have a view this year that a deal will get done. Theresa May or maybe her successor if it's announced is going to get a deal through parliament that turns around this period of uncertainty and what we'll see is businesses putting money back into the market. We will see money that has been taken out coming back into the market. We will see Sterling rally and I suspect it will go back to about 1.40 against the dollar. Some of you will know for the FTSE100 that's not great because 70% of their earnings are from overseas. But the sheer relief rally of getting rid of uncertainty will override that and it will be good for the UK.

This brings me to where we are today. I just want to point out our Guide to Investing. Some members may not have seen this. If you haven't, get hold of a copy of this document. We are really proud of this document. It was a team across a number of departments that pulled this together and it's a really good guide to investing and it has all the details on how we invest, that we are long-term investors, buy and hold and counter-cyclical. Within that framework what we have concluded about where we want to be in 2019 is we want to be heavily overweight equities and all our funds in a range of asset classes – equities, bonds, cash, property. This year we think the one that will do well above all others is equities. Last year was equities and property which looked great until December and then it struggled but

by then we had started to go quite defensive in equities, so it didn't harm us so much. This year because we think a Brexit deal will get done, because we think the US and China will do a deal because Trump is desperate to do a deal ahead of the election. With all those factors in place we are overweight in equities and we are as well placed as a team as we've ever felt in terms of our positioning. It's been a great first quarter. Equity markets, in particular, have done very well. We are very happy with where we are, and long may it continue. I will now hand back to our Chair.

Nathan Moss: The investment performance, in particular, has been terrific in 2018, reflecting the effort of you and your team you were announced as Chief Investment Officer of the Year by one of the Investment magazines recently and you beat all the benchmarks, so it's been a tremendous year for Wesleyan and our members I believe. One question that came to me in advance of the AGM was about our approach to the environment, do we have any ethical funds and what is our thinking around that?

Robert Vaudry: We have two third party ethical funds that we make available to members today. The money that flows into them has been relatively small. But down to Phil Green, more than anything else, there has been positive pressure on us to really think about, given that we tend to outperform third party funds, should we be managing our own funds. We are actively looking at launching our own ESG funds. We have to put resources in to do that and the weakness is that when you launch funds you like to have a track record to put before them before you see material sums of money being invested. We plan probably early 2020 to launch some of those funds for investors to be able to invest directly in.

Nathan Moss: Thank you Robert. Before we conclude this part of the AGM, are there any questions in the room or via social media?

Roger Turner: My name is Roger Turner and I work in data governance. I am interested if Robert would focus on the prospects for our With Profits Fund. It has suffered a little bit because of recent happenings. Does he see an increase in the performance of the With Profits Fund?

Robert Vaudry: The actual With Profits Fund ended 2018 down -2.3%. Through the impact of smoothing the pay-out ended up being +6.6%, which is a classic demonstration of With Profits. In the better years money is set aside and as an example a competitor of ours analysed 50 fund managers and their performance in 2018 and, every one, bar about six were negative so 2018 was a tough year for fund managers. This year as we are overweight in UK equities as a strategic call we have had a very good first quarter. Martin [Martin Lawrence: With Profits Fund Manager] and I in the third week of December 2018 when the various stock markets hit their all-time 2018 low we thought let's buy. We bought a lot on that day and that has done really well for us. So through to the end of April 2019 the underlying With Profits fund performance has been exceptionally strong.

Nathan Moss: With your approval I now turn to the formal part of the AGM.

1. Report and Accounts of the Society for the Year Ended 31 December 2018

It was agreed to take the Auditors' Report as read, with Andy Blackmore, Partner, Ernst & Young LLP in attendance to answer questions.

In the absence of questions, the Chair proposed that the Annual Report and Accounts for the year ended 31 December 2018 be received.

Moved by the Chair, seconded by Andrew Neden (Chair of the Society’s Audit Committee) and carried unanimously:

“That the Annual Report and Accounts for the year ended 31 December 2018 be received”.

2. a. To confirm the appointment of Ahmed Farooq as a Director

The Deputy Chair and Senior Independent Director, Phil Green reported that since the last Annual General Meeting Ahmed Farooq had been appointed a Director of the Society and confirmation of his election by members of the Society was required.

Moved by the Deputy Chair, seconded by Craig Errington and carried unanimously:

“That Ahmed Farooq be confirmed as a Director of the Society”.

2. b. To confirm the appointment of Anne Torry as a Director

The Deputy Chair and Senior Independent Director, Phil Green reported that since the last Annual General Meeting Anne Torry had been appointed a Director of the Society and confirmation of her election by members of the Society was required.

Moved by the Deputy Chair, seconded by Craig Errington and carried unanimously:

“That Anne Torry be confirmed as a Director of the Society”.

3. Election of Directors

The Chair reported that in 2013 the Directors had passed a Resolution under Rule 31(1) of the Society’s Rules that meant at each Annual General Meeting all of the Directors shall retire. All Directors stood for re-election and no other nominations in accordance with Rule 35 of the Society’s Rules had been received.

Moved by the Chair, seconded by Phil Green and carried unanimously:

“That each of the Directors:

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|-------------------|---------------------|
| (a) Nathan Moss | (d) Nigel Masters |
| (b) Phil Green | (e) Andrew Neden |
| (c) Martin Bryant | (f) Craig Errington |

be re-elected as Directors of the Society”.

4. Re-appointment of Auditor

It was moved by the Chair, seconded by Nigel Masters and carried unanimously:

“To reappoint Ernst and Young LLP as Auditors of the Society to hold office until the next General Meeting at which accounts were laid before the Society and that their remuneration be fixed by the Directors”.

5. Annual Report on Remuneration for the year ended 31 December 2018

(It was noted that members were asked to approve the Directors’ Annual Report on Remuneration by way of an advisory vote, which was not a legal requirement and the outcome was not binding on the Directors. However, the Board considered it best practice to allow members to express a view on this issue).

It was moved by the Chair, seconded by Martin Bryant and carried unanimously:

“That the Directors’ Remuneration Report shown on pages 51 to 55 inclusive of the Annual Report and Accounts be approved”.

6. Special Resolution

(the full wording of the resolution can be found in the Notice of Meeting on page 45 of the 2018 Performance Review)

It was moved by the Chair, seconded by Anne Torry and carried unanimously:

To amend the Rules of the Society to create the definition of “Associate Member”

7. Proxy Votes

The Chair reported that the percentages in favour of all the resolutions were in the mid to high 90s in percentage terms for all of the resolutions. (Details of votes, including proxy votes, to be disclosed on the Society’s website – also attached hereto).

The Chair confirmed that the Society would donate £1 to its chosen charity, Partnership for Children, for each member vote, including those cast at the meeting, giving a total donation of just over £4,143.

Nathan Moss: I would now like to take the time to mention some special changes to the Board that have happened in 2019. First of all, Chris Brinsmead who is retiring from the Board at this Annual General Meeting. Chris has been with Wesleyan since April 2010 as a Non-Executive Director and as Chair of the Remuneration Committee since January 2011. I would also like to mention our Senior Independent Director and Deputy Chair, Phil Green. Phil will be stepping down from the Board in November 2019 having agreed to stay on past his nine-year tenure to ensure a smooth transition for new Board members. Phil joined Wesleyan in January 2010 and served as Chair of the With Profits Committee since December 2011 and Chair of the Investment Committee since January 2017. Both Phil and Chris will be sorely missed, and we wish them well in the future. I would now also like to introduce you to our new intended Board member, Linda Wilding. Linda trained as a Chartered Accountant and is an experienced Non-Executive Director with extensive Remuneration Committee experience and a very diverse commercial background. She will join the Board on the first of June 2019 as a Non-Executive Director and is intended Chair of

the Remuneration Committee subject to regulatory approval. I'm sure you'll join me in giving her a warm welcome to the Society. For information on all our Board of Directors you can visit our website or our Year in Review pages. Now, Ladies and Gentlemen, I would like to make a special announcement that Craig Errington, our Group Chief Executive of nearly 15 years (which is our record I believe!) has decided to retire after a successful 28-year career. Craig has played a critical role in the development of our organisation. From his time as a Financial Consultant in Blackpool to the insight and leadership he has given to this organisation as Group Chief Executive. Craig has undoubtedly had a massive positive impact on members, customers and colleagues as well as the communities in which we serve. Craig has also chaired the Smaller Businesses Practitioner Panel [at the Financial Conduct Authority] for the last two years and has been a member of that panel since May 2013, representing the views of businesses like Wesleyan directly with our regulator. I know you will join with me and the Board in thanking Craig for his dedication to Wesleyan and wish him all the best for a well-earned retirement. Since Craig shared his plans with us, the Board have been looking for the best candidate to replace him. We are making very good progress with this and plan to make a formal announcement on Craig's successor later this year. Subject to regulatory approval, our chosen candidate will make a successful transition, to complete some time before the end of the year. I would now like to hand over to Craig to say a few words.

Craig Errington: It was funny, because when I was sitting there I was thinking back to the first AGM I ever attended, which was probably about 20 years ago or so. I think our Chair at the time was Lowry MacLean. I was sitting towards the back of the room, listening to all that was going on and trying to understand how these things worked. We had the vote and people were putting their hands up, similar to today, people voting in favour and no one voting against. I made the mistake of scratching my nose and at that point the Chair said, 'Mr Errington is that you voting against that motion', at which I went bright red and learnt a lesson to never scratch my nose again at an AGM.

Now. What's interesting about us having announced my retirement is I've had lots of great wishes working their way through to me this afternoon but I also got lots of questions from people in the room and I thought I would take a moment as I wrote down four of the questions that seemed to be repeating themselves and I thought that was probably the best way to answer these questions. The questions that I got were 'why now', 'how has the organisation changed over the years', 'what does the future hold' and 'what is the secret to success'.

So, 'why now'. It was interesting when I thought back over my career. It was 28 years ago that I joined the organisation, and it looked very different back then to how it looks now, and 14 years ago since I became CEO, and I will be 56 this year and the actuaries in the room will have already worked out, 14, 28, 56, hopefully the next one is 112 in terms of the next phase! You don't wake up one morning and think I've decided today to retire. I've been thinking about this for some time now. When you've put your heart and soul into the business you want to make sure it will continue to do well. We have a 2020 plan that we have talked about quite a bit as our next strategic change coming up. We have a fabulous team of people across the organisation and it seemed that now, going into that next phase it was really important that someone could take on that new challenge for the future and see it through and that was a big determinant in my mind.

In terms of how the organisation has changed, Blackpool was my first job here as what we called an 'Agent' back then. What we might call a Financial Consultant nowadays. The difference between an Agent and a Consultant is that a Consultant provides superb advice to our customers but we collect their money through electronic means whereas back then an Agent used to have a little blue book and called at customers houses and collected their monthly money and marked it up in the book and once you had collected enough money

across the course of the month, you deducted your salary from the collected money and then sent the remainder in. We had fabulous members and customers at that time but that has progressed quite significantly since, particularly when we made the decision that being a small mass market player is not a great place to be. It tends to be the larger organisations that win in terms of that marketplace. So, as we moved into niche market operations and became, to my mind, the number one niche market player in the UK with the fabulous professionals we serve, then the organisation does look very different now to what it did then. Through masses of great work in the organisation they've managed to take this business to a new level.

In terms of what does the future hold, I think I mentioned the fabulous plans in place for the future. I think what we've achieved so far is nothing compared to what we could achieve in the future. There are the plans in place and the leadership to take that forward with real passion. It is the right time now for me to stand aside and let someone else take on that opportunity. I wish my successor every success.

Finally, what's the secret to success. It always hard to say what the secret is. Some people might say a really clear strategy, some people will say the values and culture in an organisation. I think all of those are very true. Particularly for the future, we hear quite often that this place is really special. I think people that join here tell me how different it is to where they have been before. It's really important we try to maintain that whilst at the same time enhancing our culture to meet the needs of our customers and the modern world. If you were to ask me really what the success is for this organisation I'd say the people. We have fantastic people who do a wonderful job and I say thank you to all of you for that. I close by saying I've had a wonderful time here. I'm looking forward to retirement – I think I've only ever had two weeks off at any point since I started work at 16. There will be lots of time for goodbyes over the course of the next few months, but I want to put on record my thanks to my colleagues, our members, our customers and everyone who has made my time here so fabulous, so thank you.

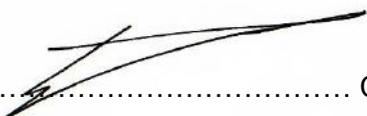
Nathan Moss: Some great words from Craig, there. Obviously, a poignant moment for the organisation when a CEO of Craig's standing and achievements announces his retirement. As Craig said we will have plenty of time to say goodbye to staff and communities before the end of the year. So that concludes the meeting today. Are there any final questions before I close the meeting? There are none and I declare this meeting closed.

This concluded the Annual General Meeting.

Confirmed as a correct record on behalf of the Board by the Chair and Chief Executive of the Society on 27 June 2019



..... Chair



..... Chief Executive

27 June 2019

Wesleyan Assurance Society

**Annual General Meeting – 23 May 2019
Voting Results (including proxy votes)**

| Ordinary Business | | FOR | AGAINST | % IN FAVOUR | WITHHELD |
|--------------------------------|--|-------------|----------------|------------------------|-----------------|
| 1. | To receive the 2018 Report and Accounts | 3,882 | 28 | 98.7 | 22 |
| 2a. | To confirm the appointment of Ahmed Farooq as Director | 3,789 | 99 | 96.2 | 49 |
| 2b. | To confirm the appointment of Anne Torry as Director | 3,832 | 74 | 97.0 | 43 |
| 3. | To re-elect as Directors: | | | | |
| (a) | Nathan Moss | 3,794 | 104 | 95.9 | 57 |
| (b) | Phil Green | 3,778 | 104 | 95.9 | 57 |
| (c) | Martin Bryant | 3,797 | 85 | 96.4 | 56 |
| (d) | Nigel Masters | 3,784 | 93 | 96.1 | 62 |
| (e) | Andrew Neden | 3,788 | 91 | 96.3 | 56 |
| (f) | Craig Errington | 3,766 | 117 | 94.2 | 117 |
| 4. | To re-appoint Ernst & Young LLP as Auditors | 3,750 | 148 | 95.0 | 48 |
| 5. | To receive the Directors' Remuneration Report – advisory vote only (Note i) | 3,705 | 168 | 93.9 | 74 |
| 6. | To amend the Rules of the Society to create the definition of "Associate Member" | 3,711 | 140 | 94.5 | 76 |
| TOTALS – 2019 (Average) | | 3781 | 104 | 95.8 | 60 |

| Ordinary Business | FOR | AGAINST | % IN FAVOUR | WITHHELD |
|--------------------------------|--------------|----------------|------------------------|--------------------------|
| 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 | |
| 2010 (Average) | 3,574 | 101 | 97.3 | |

Selena Pritchard
Company Secretary
23 May 2019