

Liverpool Victoria Friendly Society Limited (the "Society")

Minutes of the Annual General Meeting ("AGM") held at the

Hilton Hotel, Bournemouth

on Thursday 07 June 2018 at 3.00pm

Present: Alan Cook Chairman
 Richard Rowney Director & CEO
 Andy Parsons Director & GFD
 David Barral Director & Senior Independent Director
 Caroline Burton Director
 Alison Hutchinson Director
 Colin Ledlie Director
 David Neave Director
 Luke Savage Director
 Rachel Small Group Company Secretary
 John Perks Life & Pensions MD
 Members of the Societyⁱ ("**Members**")
 Members of staff

Apologies: David Neave Director

Ref	Minute	Action	By
1	<u>Introduction</u>		
1.1	The Secretary welcomed the Members to the meeting and declared that a quorum was present.		
1.2	The Secretary noted that it was the Society's 175 th birthday year and the meeting would begin with the showing of a video of the Society's 175 year history.		
1.3	The Secretary explained that the meeting would firstly hear from the Chairman, following which the CEO, Mr Rowney would provide an overview of the business performance for 2017 and his hopes and aspirations for 2018, before opening the floor to questions.		
2	<u>Chairman's Review</u>		
2.1	The Chairman gave the Members a warm welcome to the meeting and observed that this was his second AGM and his first in situ as Chairman.		
2.2	He remarked that it had been a remarkable year for the Society despite a number of challenges.		
3	<u>CEO's Review</u>		
3.1	Mr Rowney highlighted that 2017 had been a transformational year for LV= with the successful completion of the Strategic Partnership with Allianz Holdings PLC ("Allianz") and the strengthening of the Society's capital position.		

3.2	Mr Rowney observed that the Society continued to receive strong employee engagement; however the scores had dropped to 76% from previous high levels of over 80%. It was noted that this was due primarily to the uncertainty around job security in relation to the Allianz transaction.		
3.3	Mr Rowney explained that the business had achieved an operating profit of £158m at year-end 2017 which was a 24% outperformance on 2016 and reflected positive contributions from both businesses. It was noted that the top line had grown but costs maintained across the Group. Mr Rowney further highlighted that the performance against the balanced scorecard had been significantly strong.		
3.4	A mutual bonus of £26m was paid to with profits members which was a significant increase from the bonus paid the prior year.		
3.5	Significant progress had continued to be made to establish a sustainable and growing General Insurance business with the business achieving an operating profit of £121 million - 7% up on 2016. Gross written premiums had increased by 1% to £1.6 billion, despite withdrawing from the broker home market and underwriting profit had also improved by 47% to £103 million.		
3.6	Mr Rowney advised that the Protection, Retirement & Heritage businesses had been brought together into a single Life business under the leadership of John Perks.		
3.7	Across the Retirement and Protection businesses, sales were up 9% and broke through the £2 billion threshold for the first time ever. It was noted that operating profit improved significantly to £37 million from £13 million in 2016, helped by a £6 million increase in new business contribution.		
3.8	Mr Rowney commended the business and noted that the 'trophy cabinet' continued to flourish with LV= maintaining the accolade as YouGov's "Most Recommended Insurer" for the third consecutive year and named the "Insurance Provider of the Year" at the Which? 2017 awards. Mr Rowney further highlighted that LV= had been recognised by KPMG Nunwood in their Customer Experience Excellence Report and had improved 68 places to rank 32 nd across all industries.		
3.9	<p>Mr Rowney outlined and discussed the Society's priorities for 2018, which were:</p> <ol style="list-style-type: none"> 1. To reposition the Society as a financially sustainable life and pensions business; 		

3.10	<p>2. To build a sustainable business model and for the Society to develop into a modern mutual;</p> <p>3. To build and strengthen the relationship with Allianz in order to continue the good work;</p> <p>4. To maintain the strong LV= brand and employee franchise; and</p> <p>5. To launch our 2022 Vision.</p> <p>Mr Rowney concluded and welcomed questions from the room. No questions were raised.</p>																											
<p>4</p> <p>4.1</p> <p>4.2</p> <p>4.3</p> <p>4.4</p> <p>4.5</p>	<p><u>2018 Resolutions</u></p> <p>The Secretary explained the voting procedure that would be followed; each Resolution would be put to a show of hands and a poll would only be taken if any vote in the room was at variance with the proxy vote.</p> <p>The Secretary noted that this year had seen an increase of 30% in the proxy voting.</p> <p>The Secretary put each of the Resolutions, as set out in the notice of the AGM, to the Members.</p> <p>Each Resolution was carried by a show of hands.</p> <p>The Chairman confirmed that the show of hands was consistent with the proxy vote and, for information purposes only, reported that the proportion of proxy votes in favour of each Resolution was:</p> <table border="1" data-bbox="320 1339 1121 2040"> <thead> <tr> <th>No.</th> <th>Resolution</th> <th>In Favour</th> <th>Against</th> <th>Abstentions</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>To receive the 2017 Report and Accounts</td> <td>98.61%</td> <td>1.39%</td> <td>1,809</td> </tr> <tr> <td>2</td> <td>To appoint Alan Cook as a director (and Chairman) for a further term of 1 year</td> <td>98.34%</td> <td>1.66%</td> <td>860</td> </tr> <tr> <td>3</td> <td>To appoint Andy Parsons as a director for an initial term of three years</td> <td>97.25%</td> <td>2.75%</td> <td>1,651</td> </tr> <tr> <td>4</td> <td>To appoint Colin Ledlie as a director for an initial term of</td> <td>97.22%</td> <td>2.78%</td> <td>1,706</td> </tr> </tbody> </table>	No.	Resolution	In Favour	Against	Abstentions	1	To receive the 2017 Report and Accounts	98.61%	1.39%	1,809	2	To appoint Alan Cook as a director (and Chairman) for a further term of 1 year	98.34%	1.66%	860	3	To appoint Andy Parsons as a director for an initial term of three years	97.25%	2.75%	1,651	4	To appoint Colin Ledlie as a director for an initial term of	97.22%	2.78%	1,706		
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	three years					
5	To appoint Alison Hutchinson as a director for an initial term of three years	97.88%	2.12%	1,427		
6	To appoint Luke Savage as a director for an initial term of three years	97.15%	2.85%	1,754		
7	To approve the 2017 Directors' Remuneration Report	95.07%	4.93%	3,054		
8	To approve the Directors' Remuneration Policy	93.96%	6.04%	3,541		
9	To re-appoint Pricewaterhouse Coopers LLP as the Society's auditor until the end of the next AGM	96.91%	3.09%	1,601		
<p>Closing The Chairman thanked the Members for attending the meeting and for their continued support.</p> <p>The meeting was declared closed at 3.15pm.</p> <p>..... Chairman</p> <p><u>Glossary of Abbreviations/Terms Used in Minutes</u> Board: the board of the Society LV=: The Society and its group companies Resolution(s): the ordinary resolution(s) proposed to the Members Solvency II : The EU capital regime for insurers Strategic Partnership: the joint venture with Allianz within the GI business</p>						

ⁱ The meeting was attended in person by 48 members