

**MINUTES OF THE 85th ANNUAL GENERAL MEETING OF
THE SCHOOLTEACHERS FRIENDLY SOCIETY
HELD ON SATURDAY 8th May 2010 IN THE VILLAGE HOTEL, WHISTON, MERSEYSIDE**

Present: A N Spencer Chairman
 D A Eaton Treasurer
 J G Harrison Vice-Chairman
 R G Morris
 R W Morley
 C R Nugent
 D Proffitt
 S J Code Chief Executive
 and 15 other members

In addition, 25 valid proxy votes were received, all of which appointed the Chairman to vote on their behalf.

1. Adoption of Standing Orders.

On the motion of the Chairman, Standing Orders as printed were adopted.

2. Apologies.

Apologies were received from Mr D. McDermott, Mr. T. Evans, Mr. D. Fellows, Mrs. C. Code, Mr. P. Code and Mrs. M. Ownsworth.

3. Minutes of the 84th Annual General Meeting.

The Minutes of the 84th Annual General Meeting held at Whiston, Merseyside were confirmed as printed, and duly signed.

4. Annual Report of the Board of Management.

Mrs. D. Proffitt provided explanations regarding the continued turbulent and disquiet in the financial markets, the growth in the Child Trust Fund membership by 21%, the increase in premium income, the Board's commitment to meet the high Corporate Governance standards, the likely impact of Solvency II, the questionnaires which are being sent out to obtain feedback from members under the Society's Treating Customers Fairly initiative and the competence and dedication of the Chief Executive and Staff.

Mr. C. Nugent seconded the adoption of the Report.

The adoption of the Annual Report of the Board of Management for 2009 was put and approved unanimously.

5. Approval of the Board of Management Report on Board Remuneration.

Mr. R. W. Morley provided explanations regarding the composition of the Nomination and Remuneration Committee, the remuneration structure and the increase in the emoluments by 1.8% in line with the average earnings index and then moved the approval of the Board of Management report on Board Remuneration for 2009. Mrs. J. Hodson seconded the approval of the Report.

The approval of the Board of Management Report on Board Remuneration for 2009 was put and approved unanimously.

6. Balance Sheet and Financial Statement.

Mr D. A. Eaton, Treasurer, provided explanations regarding the investment strategy, premium income increases, membership growth, performance of the Sickness Income Plan Fund and announced a 1% bonus to be applied to eligible Series 1 and 2% bonus to be applied to eligible Series 2 Tax-exempt Investment Policies as at 31 December 2009. He then moved the adoption of the Balance Sheet and Financial Statements for 2009. Mr. R. Morris seconded the adoption.

The adoption of the Balance Sheet and Financial Statements for 2009 was put and approved unanimously.

7. Re-appointment of Auditors (Rule 37(1)).

It was proposed by Mr. D. A. Eaton, Treasurer, and seconded by Mr. J. G. Harrison that Duncan Sheard Glass be re-appointed as Auditors.

The motion was put and approved unanimously.

8. Partial amendment of rules (1996 printing).

The Chairman proposed the following change of rule.

Appendix D. Rules and Conditions of the Child Trust Fund.

Rule D6.

Lines 1 and 2: Line 1: delete 'person with parental responsibility for' and substitute 'personal representatives of'.

Line 3 and 4: delete 'next published unit price following receipt of the required details at the Society's Head Office' and substitute 'unit price at the date of death as per the Death Certificate'.

The motion was put and approved unanimously.

9. Election of members to the Board of Management retiring under Rule 25 (1).

There being only three candidates for the three vacancies on the Board of Management, the Chairman declared that Mr. S. J. Code (retiring members) be re-elected for a period of three years and Mr. D. A. Eaton and Mrs. D. Proffitt (retiring members) be re-elected for a period of one year.

The Chairman then declared the meeting closed.

There followed an opportunity for members to raise any queries on matters of general interest:

The Chairman asked Mr. J. G. Harrison, Chairman of the Audit, Risk and Compliance (ARC) Committee to say a few words about the role of the ARC committee. Mr. Harrison explained that in 2004 the Board had established separate risk and audit committees but that these were combined into the ARC Committee in 2008. Mr. Harrison outlined the audit and risk responsibilities and highlighted the major risks facing the Society which includes the capital requirements under Solvency II, the investment returns currently available and the reducing members in the SIP Fund. Mr. Harrison also outlined how the risks are managed and reported within the Society.

Mr. Harrison explained that achieving the capital requirements under Solvency II in 2012 will prove to be a major challenge for the Society but this is something the Board are actively managing.

The Chairman stated that in regard to meeting the capital requirements under Solvency II the Board were considering a number of options on how this can be achieved. This ranged from increasing capital reserves from future surpluses through to finding a suitable partner who has significant capital reserves with whom to merge. The Chairman stated that if the Board considered it necessary to seek a merger with another Society then the members will be fully consulted about this.

As there were no more questions the meeting closed.