

TRANSPORT FRIENDLY SOCIETY LIMITED

DRAFT MINUTES of the One Hundred and Sixth Annual General Meeting
held remotely via audio/visual conference on Tuesday 4 August 2020 at 12 Noon

Mr David Brown, President of the Society,
Chaired the Meeting

ATTENDANCE

The following were in attendance:

Mr D Brown (President of the Society)

Board of Management:

Mr P Brown (Chairman)
Mr S Barker (Vice Chairman)
Mr C Angell (not a member of the Society)
Ms E Fairless (not a member of the Society)
Mr B Hutton (not a member of the Society)
Mr C Jeffrey
Mr N Silby (not a member of the Society)
Mr M Storer
Mr A Ramezankhani (Chief Executive)

Society's Professional Advisors:

Mr S Dixon Chief and With-Profits Actuary - Steve Dixon Associates
Mr T Reed BDO LLP - Proposed External Auditors
Mr R Travis Investec Wealth & Investment - Investment Advisors

Also in attendance:

Mr T George Compliance Officer and Secretary

A total of 650 Members had submitted their votes for the various resolutions at the AGM 2020, and of those, 530 had nominated the Society's Chairman to vote on their behalf.

PRESIDENT'S ADDRESS

Mr David Brown declared the 106th Annual General Meeting (AGM) open and welcomed all those on the conference.

Mr David Brown stated that unfortunately, as a result of the impact of Covid-19, the Society's AGM which was due to be held on 9 June 2020, did not go ahead as a live meeting because of the Government's social distancing requirements. Mr David Brown added that he wanted to assure everyone that all of the issues that would have been discussed at the live AGM would still be considered in this meeting but only on the basis of written submissions the Society had received from the members. Additionally, all the information that would have been distributed to members at the planned AGM had been made available to the members via the Society's website.

Mr David Brown said if the members had visited the Society's website and reviewed the Society's Report and Accounts for 2019, they would have noted that the Report includes details of the impact of Covid-19 on the Society and its members. Mr David Brown added that if any member had submitted questions along with their proxy form, the Board would deal with them later in this meeting or answers would be sent shortly direct to those individuals.

Mr David Brown said before commenting on the Society's performance over the past year or so, he wanted to say the human cost of the pandemic had been very sad and real for the membership of the Society and he wanted to pay his respects to the members of the Society who had lost their lives as a result of the pandemic and express his condolences to their families.

Mr David Brown said as those who had attended the Society's Annual General Meetings over the past few years are aware, the performance of the Society had been very strong. In 2019, the Society achieved a high level of new business income. With the Development team back up to 7, he was pleased to report that in 2019, the new business income increased by 22% to £709k.

Mr David Brown noted that Investment performance in 2019 was also very positive, all regulatory requirements had been met and operating expenses were managed at a satisfactory level which all in all had led to a very good year for the Society. However, as members would have noted from the Chief Executive's report in the 2019 Report and Accounts, just like many other businesses, the Society had been significantly impacted by Covid-19.

Mr David Brown informed the Meeting the Society had continued to pay sickness and hospital claims, including those relating to Covid-19, in addition to discretionary benefits for dental, optical and osteopathic claims. Mr David Brown stated that in order to meet its obligations to members, the Society had paid significant benefits upon the maturity of policies and also on the death and retirement of members. Mr David Brown added that annual and as appropriate terminal bonuses were maintained at the same levels as from the previous year and were paid on qualifying policies. Mr David Brown was also pleased to see the Society had maintained the sickness no claim bonus at the increased level paid in 2018.

Mr David Brown informed the Meeting that in addition to its existing products, the Society had launched a new Health Cash Plan in 2019 which helps members claim cash back on a wide range of health costs such as dental, optical and therapy treatments as well as specialist and hospital-related expenses.

Mr David Brown stated the Society's continued growth was down to the hard work of the Board of Management, staff, professional advisors and ambassadors who continue to drive the Society forward in increasingly challenging times.

Mr David Brown acknowledged that, as he had said last year, it is commendable that the Society had remained committed to continuing to help those associated with passenger transport and he hoped it would do so for many years to come.

Mr David Brown expressed his regret that those who wanted to meet at a live AGM were not able to do so and said he was sure they would understand and accept that the priority was to ensure the health and safety of all those concerned.

Finally, Mr David Brown thanked all those who had attended, wished everybody well for the year ahead and to stay safe and keep well and said he was looking forward to seeing everyone at next year's AGM.

RESOLUTION 1: CONFIRMATION OF THE MINUTES OF THE AGM HELD 18 JUNE 2019

The President proposed and it was seconded that the Minutes of the AGM held in 2019 as circulated were a true and correct record of proceedings.

1.20 Resolved - *That the Minutes of the AGM held on 18 June 2019 be approved and signed as a true and correct record.*

Mr David Brown announced that 650 Proxy votes had been received; 635 were in favour of the resolution, 6 were against and 9 had abstained.

REPORT OF THE BOARD OF MANAGEMENT

Mr Peter Brown, the Chairman of the Society, welcomed everyone and started by proposing that the President be thanked for his Address and that it be included in the Minutes of the Meeting. By a show of hands, it was Resolved that the President's Address be incorporated in the Minutes of the Meeting (see Appendix A).

Mr Peter Brown said on behalf of the Board of Management, he was pleased to present his report which was contained within the Report & Accounts for the year ended 31 December 2019 which had been approved and signed by the Board of Management.

Mr Peter Brown said the Board of Management remained extremely positive about the future of the Society and that Mr Ramezankhani would go through some of the key statistics later and as usual, he together with Mr Reed, the Society's Auditor from BDO LLP and Mr Dixon from Steve Dixon Associates, the Society's Chief Actuary and With Profits Actuary would take questions on the Report & Accounts at the end of the meeting.

Mr Peter Brown commented on behalf of the Board of Management that it was again pleasing to report the Society had remained in a healthy financial position. Mr Peter Brown noted that the Society's Assets had increased to £76.4m at the end of 2019 from £66m at the end of 2018, which as Mr David Brown, the Society's President had mentioned, was due to negative investment returns in 2018 due to a range of events. Mr Peter Brown said he was delighted to be able to confirm that the Bonus rates paid by the Society in 2018 had been maintained at their current level in 2019, including the Sickness No Claim Bonus at £5 per unit.

Mr Peter Brown said he was pleased to report the Society had made grounds in expanding to new regions within the country, to name but a few, Manchester, Liverpool, West and South Yorkshire and Lincolnshire, where the Society had continued to extend its services and provide its cost-effective products to new target markets. Mr Peter Brown added the Society continued to operate within Greater London, Essex, East Midlands, South and South East of the country and that the strategy to expand had continued to produce sound results for the Society and its existing and new members.

Mr Peter Brown noted that the Society's Board is accountable to the Society's members and UK Regulators for the operation of the Society and that the Board regards good corporate governance as fundamental to this responsibility. Mr Peter Brown said the Society follows the Association of Financial Mutuals (AFM) Corporate Governance Code (2019 version), which sets out a series of Principles of good corporate governance. Mr Peter Brown added the Society applies the Principles fully and using an 'apply and explain' approach, the Society had provided a supporting statement in the Directors' Report in its Report and Accounts 2019, for each Principle that sets out how it had followed that Principle and gives an understanding of how its corporate governance processes operate and achieve the desired outcomes.

Mr Peter Brown reported that the annual bonus statements were posted to all of the Society's members in July 2020 which included voting/proxy forms and for the first time, the Society had made arrangements to enable its members to log onto its website and vote online. Mr Peter Brown said he was hopeful the facility to vote online had encouraged more eligible members to get involved in the election process in a cost effective way. Mr Peter Brown said he was happy to report that the Society had received 650 completed voting/proxy forms.

Mr Peter Brown said he was also pleased to report the Society had successfully met its statutory and regulatory obligations in good time and additionally, the Society had continued to monitor and implement regulatory changes as and when required.

Mr Peter Brown informed the meeting that the Society continued to monitor and comply with the rules and regulations of both the Prudential Regulation Authority and the Financial Conduct Authority. Mr Peter Brown stated that the Senior Managers and Certification Regime (SM&CR) came into force in December 2018 and replaced the Senior Insurance Managers Regime (SIMR). The SM&CR applies to all insurers and re-insurers regulated by the FCA and the PRA and brings about changes to how people working in financial services are regulated. The SM&CR aims to reduce harm to consumers and

strengthen market integrity, by creating a system that enables firms and regulators to hold people to account. As part of this, the SM&CR aims to:

- Encourage Directors and staff to take personal responsibility for their actions.
- Improve conduct at all levels.
- Make sure firms and staff clearly understand and can show who does what.

Mr Peter Brown informed the meeting the Society had taken action and complies with the requirements of the SM&CR.

Mr Peter Brown said another notable development was that following discussions, the Board of Management had recognised the importance of Climate Change and nominated a senior management function holder to be responsible for managing financial risks associated with Climate Change. The Society had produced a Climate Change plan which sets out the initial action plan the Society had developed to mitigate and manage the financial risks associated with Climate Change and to comply with the regulators' requirements in this area. In addition, the Society was mindful of its wider social responsibilities and this plan also includes a section on how the Society's office intends to become 'greener' and reduce its carbon footprint.

Mr Peter Brown referred to Solvency II and said it was very pleasing to report the Society had continued to meet successfully its obligations of submitting Solvency II quarterly and annual returns to the PRA on time, thereby meeting all the deadlines set by the regulator.

Mr Peter Brown reported that another major focus for the Board was Conduct Risk and Culture. He noted that the Board was committed to ensuring that all of the Society's Directors and staff demonstrated the values, attitudes and behaviours set by the Society which are so important to members, potential members, Ambassadors, suppliers, professional advisors, the wider community and the environment.

Mr Peter Brown informed the Meeting that from the Governance point of view, Mr Barry Hutton had been co-opted onto the Board of Management in September 2019 and officially joined the Board in July 2020. Mr Peter Brown added that Mr Hutton had replaced Mr Chris Angell, who had retired from the Board in June 2020. Mr Peter Brown noted that Mr Angell had served the Society as a Non-executive Director for 11 years and he had been an invaluable asset to the Society with his knowledge and experience, which he was always happy to share with all his colleagues. On behalf of the Society and its Board, Mr Peter Brown thanked Mr Angell for his services and wished him all the best for the future.

Mr Peter Brown stated that unfortunately, the Society, like many other businesses, and its members had been impacted by the effects of Covid-19 and on behalf of the Society, he wanted to pay his respects to the Society's members who had lost their lives.

Mr Peter Brown informed the meeting that during 2019, Mr Barry Arnold, the Society's Senior Independent Director had retired from the Board after serving the Society for 9 years and he expressed his gratitude to Mr Arnold for his services to the Society and wished him every success in his retirement. Mr Peter Brown added that Mr Christopher Jeffrey was appointed as the Society's Senior Independent Director, (following Mr Arnold's retirement), and his appointment was subsequently approved by the regulator.

Mr Peter Brown said on behalf of the Board, he wanted to welcome those members who had joined the Society in 2019 and the Society's existing members for their continued support of their Society. Mr Peter Brown also thanked the Society's staff for their loyalty and continued support of the Society's members and the Board, throughout 2019 and during the challenging times in 2020 arising from the Covid-19 pandemic.

Mr Peter Brown reported that overall, he was pleased to report the Society was performing in line with the strategic objectives it had set.

Finally, Mr Peter Brown thanked his colleagues on the Board, the Society's Staff, its Ambassadors and professional advisors for all that they had done for the Society over the last year.

Mr Peter Brown then said he wanted to address the questions that had been sent in relating to his Chairman's Report following which he would move that the report of the Board be adopted. Mr Peter Brown read out the questions and comments received and the Society's answers.

QUESTIONS

Richard Ballam

What is the status of the projected bonus for 2020?

The interim bonus for 2020 is set at 2% for endowments and held at last year's rates for other products. These rates are not guaranteed until ratified by the Board next year following valuation of the Society's assets.

Is it likely 2020 and 2021 will receive no bonus?

The Society's financial position is monitored and appropriate management action is taken as deemed necessary.

Is there any likelihood of any reduction in total fund and/or member's pot between AGM date and member's maturity dates?

Any ratified bonuses accrued are guaranteed and cannot be taken away on maturities and/or prior death.

Are payments to those in need being prioritised based on financial status, disability and vulnerability of the member, or is it based on seniority of membership?

Different benefits apply to different products. Payments and benefits are paid based on each product's rules and terms and conditions. The Society does not prioritise payment of benefits.

Marrion Rigney

Why is there no background on Mr B Hutton or Bob Scowen so we know who we are voting for?

No votes are taken for Mr Hutton as there were no nominations. Mr Scowen has been the Vice President for a few years.

Colin Coles

Unless the Actuary has more comprehensive answers, I would like to know the crude effect of Covid 19 on the sickness and death claims on the Society's funds.

As at 31 July, there were 744 sick claims 21 deaths and £364k paid out due to Covid-19.

What is the experience of sickness and death claims in the first 6 months of 2020, compared to the first 6 months of 2019.

In the first 6 months of 2020 there was just over 70% increase in sickness claims compared to same period in 2019. £985k was paid in Sickness claims in H1 2020 compared to £573k in H1 2019.

Fred Soper

I will NOT vote for any of your AGM resolutions. You are NOT looking after your OLD MEMBERS who helped to put the £40million in the bank. The Management Committee should hang your heads in shame. 10 years since you gave us a bonus. Terrible!!!!

Mr Ramezankhani added that Mr Soper had called him to say he would not be able to attend the Society's virtual AGM as he did not have a computer and Mr Ramezankhani had once again explained to him that members like him with Death Section plans were still getting life cover under their plans which their nominated beneficiaries would be able to claim. Mr Ramezankhani said he had also informed Mr Soper that his annual contributions to the Society were significantly lower than the potential maximum discretionary benefits he was still eligible to claim from the Society.

RESOLUTION 2: TO ADOPT THE REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 DECEMBER 2019 CONTAINED WITHIN THE ANNUAL REPORT FOR 2019

The President proposed and it was seconded that the Annual Report of the Board of Management be adopted.

2.20 Resolved - *That the Annual Report of the Board of Management for the year ended 31 December 2019 be adopted.*

Mr David Brown announced that 650 Proxy votes had been received; 640 were in favour of the resolution, 4 were against and 6 had abstained.

Mr Peter Brown then handed over to Mr Ramezankhani, the Society's Chief Executive to address the Meeting.

FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2019

Mr Ramezankhani welcomed everybody and thanked them for taking the time to attend the AGM, especially Mr David Brown, the Society's President for taking time out of his busy schedule to Chair the Meeting.

Mr Ramezankhani thanked Messrs David Brown and Peter Brown for their opening remarks and said he would cover the Coronavirus and its impact on the Society but before doing so, he would comment on the Society's performance in 2019.

Assets

Mr Ramezankhani started his report by informing the Meeting that he was delighted to report that 2019 was a successful year for the Society and its members. The Society had continued to follow the strategy adopted by the Board which was producing relatively good results. The Society's assets grew in 2019 to £76m, an increase of nearly 16% from £66m in 2018.

Mr Ramezankhani said the Society had achieved a high level of new business income in 2019. Investment returns were also very positive and all regulatory requirements were met. Mr Ramezankhani added that putting the favourable investment returns aside, he was pleased to report the Society's business operations also performed very well in 2019.

Development Team

Mr Ramezankhani informed the meeting the Development team was back up to 7, and was pleased to report the new business income increased by 22% to £709k in 2019 from £580k achieved in 2018.

Membership

Mr Ramezankhani reported that the number of members had also increased by 1.6% to 23,150 at the end of 2019. However, the level of turnover of staff within the passenger transport industry had remained high and this volatility continued to have an impact on the number of the Society's members.

Premium Income

Mr Ramezankhani noted that with the increase in the number of members and new business, he was pleased to report that net earned premium income had increased by 6.4% in 2019 to £3.17m from £2.98m in 2018.

Regulation

Mr Ramezankhani informed the meeting that as per the past few years, the financial sector saw a number of new regulatory requirements and as Mr Peter Brown had mentioned earlier, all new requirements were successfully implemented by the Society's relatively small team whilst continuing with complying with on-going requirements.

Mr Ramezankhani said the Society continued to listen to its members and tries to deliver products and services that meet their needs. A new Health Cash Plan product was developed and launched in June 2019 adding to the Society's existing Income Protection product portfolio. This product would help the Society's members with payments towards everyday healthcare costs as well as those unexpected medical expenses that unfortunately can arise.

Premium Income vs Operating Costs

Mr Ramezankhani acknowledged that the net operating expenses had increased in 2019 by 16.6% to £1.8m and this was mainly due to the launch of the new Health Cash Plan product and other projects undertaken. He added that the Society's net operating expenditure to contribution income had increased to 56.8% from 51.8%. Mr Ramezankhani informed the meeting the Board continued to monitor closely the Society's operating expenses in order to utilise the members' funds most efficiently.

Claims

Mr Ramezankhani turned to the issue of claims and said he was very pleased to report the Society had paid out 99% of all claims in 2019 which showed the Board's commitment to provide income protection to its members at times of need. The Society had paid out £2.5m in claims in 2019 compared to £2.3m in 2018 – an increase of 5.6%. Of this, £1.19m was in respect of sickness claims compared to £1.03 in 2018. The Hospitalisation claims had decreased by over 60% and the discretionary benefit claims had increased in 2019 by around 4.5% to £141.5k compared to £135.5k during 2018.

Mr Ramezankhani informed the meeting the Board continued to monitor all claims and would take necessary management action if or when risks are identified.

Gone Aways

Mr Ramezankhani informed the meeting that in 2019, the Society had continued the exercise it had started in 2017 to try and locate members it had lost touch with over the years and this project would continue for the foreseeable future. He added that every reasonable effort would be made by the Society to pay off owed benefits to members and/or their next of kin, where appropriate.

Investment returns

Mr Ramezankhani reported that an important contributor to the Society's continuing growth was the positive investment performance of its investment portfolio. He added that whilst the Society experienced a negative return of 3.5% in 2018, investment returns in 2019 had recovered ending with the BREXIT parliamentary deadlock being resolved following the general election in December 2019 and the tentative phase one agreement between the US and China at the time (although they now seem to be clashing again!). Mr Ramezankhani explained that both of these developments were viewed as extremely positive from the financial markets' perspective, therefore leading to a strong period for equity markets both domestically and globally. The Society's investment portfolio in 2019 had produced a very pleasing net return of 14.6% excluding the Child Trust Funds which achieved a 19.7% return.

Products

Mr Ramezankhani said as he had reported last year, the Society's Child Trust Fund (CTF) policies would start to mature from September 2020 when the children start reaching the age of 18. He added that work was already in progress for appropriate and efficient administrative processes to facilitate the smooth payment of their maturity values and reinvestment options should CTF members decide to continue their membership with the Society.

Mr Ramezankhani reported that the Board had discussed and agreed to introduce two Individual Savings Accounts (ISA) to its product portfolio during 2020. The first ISA would accommodate the Child Trust Fund accounts where members cannot be located, and the second ISA would provide the Society's members with more savings options alongside its existing Tax-Exempt Adult and Junior Saving Plans.

On the subject of new products, Mr Ramezankhani reported the Society had recently agreed to offer its existing sickness policyholders the option to extend their sickness plan beyond the age of 65 as long as they continued to remain in employment.

IT Developments

Mr Ramezankhani said as reported last year, the Society was investing in a new computer system which would provide its staff and management with new improved functionality and more efficient processes as well as enabling direct access by members to purchase new products and view their own policy details online. Work on the new administration system had commenced in 2019 and was progressing well. Mr Ramezankhani added that the Society believes this new system, integrating with the Society's website, would improve the service the Society provides to its members, leading to a paperless office and a reduction in operating expenses in the longer term. The new platform is planned to be in operation during 2021.

Covid-19 and its Impact on the Society

Mr Ramezankhani turned to the issue of Covid-19 and as he had said at the outset, it was not possible to make this presentation without making reference to the Coronavirus (Covid-19) and its impact on the Society.

Mr Ramezankhani said regrettably, Coronavirus has had a negative impact on people around the world and the global economy and it had also negatively impacted the Society so far and it was anticipated it would continue into next year. He added that the Society would of course not be complacent and would be in regular consultation with its Advisors in order to take the appropriate management action to protect its members' funds during and after the pandemic.

Mr Ramezankhani reported that sadly, the Society had so far lost 21 members to Covid-19 and a large number of its members had had to claim because of it through contracting it, having experienced symptoms or self-isolating. Mr Ramezankhani expressed his condolences to those who had lost family, friends and colleagues due to this dreadful virus and added that hopefully, the situation would improve and a suitable vaccine would soon be discovered.

Mr Ramezankhani informed the meeting that the Society's Board took the view early on that members must be supported at times like these and therefore Covid-19 claims had been honoured as long as supporting medical evidence was provided and as such very few claims had been rejected. Mr Ramezankhani added that he was reliably informed that good words were going around the garages about TFS as he understood some other insurance firms had not been entertaining the majority of Covid-19 claims such as self-isolation and those with Coronavirus symptoms. To-date, the Society had paid £360,000 in Covid-19 related claims.

Impact on assets

Mr Ramezankhani reported that the Covid-19 pandemic had had a large impact on global financial markets since 31 December 2019. The FTSE 100 had dropped by some 35% at one point during March 2020 with other equity markets falling by similar amounts. Market volatility had reached peaks not seen since the 2008 financial crisis and had put short term global economic growth at risk.

Mr Ramezankhani said that as a result of Covid-19, the Society's funds available after ensuring adequate provision for members' benefits to meet the capital requirements had reduced from £28.1 million to £20.6 million. Mr Ramezankhani added that despite this, he was pleased to report there was still a very healthy level of funds available to cover the Society's regulatory solvency capital requirements with a coverage of £15 million.

Despite the strong impact of Covid-19, the strong capital position of the Society and diversification within its investment portfolio had meant the Society had been able to sustain the loss in equity value to some extent and had remained relatively well capitalised with minimal impact on its liquidity and had no liquidity concerns if it were to have to pay out higher than usual claims.

Mr Ramezankhani said the Society had already confirmed it had expected a 50% reduction in new business for 2020 from that assumed in its Business Plan based on the 3.5 month lockdown period and the gradual return to new normal.

Impact on operations

Mr Ramezankhani said operationally and in accordance with the Government's lockdown requests, the Society's office was closed from 20 March 2020 until its partial re-opening on 29 June 2020. Mr Ramezankhani added he was pleased to report the Society's office staff had been working remotely from home and continuing to service its members and pay their claims as normal. The Society was continuing to receive premium payments either via direct debit or payroll deduction arrangements.

Mr Ramezankhani reported the final bonuses for 2019 year-end had not been declared at the time the market volatility had occurred but given the capital position of the Society, the recommended bonuses were set to be maintained at their 2018 level.

Mr Ramezankhani said the Society would continue to monitor the impact of the Covid-19 pandemic on an on-going basis to assess whether interim bonuses and/or terminal bonuses may need to be changed at a later point during and after the pandemic. The Society had had to apply a Market Value Adjustment (MVA) to surrenders to protect those members who are remaining with the Society and the position was under continuous review and would be lifted when deemed appropriate.

Mr Ramezankhani said the Society needed to achieve the levels of new business growth assumed within its Business Plan in order to cover the Society's operating expenses and to provide its members with benefits. The impact of social distancing measures introduced by the Government had meant the Society's Development Managers were not able to travel to bus depots and garages for over 3.5 months. In fact, access was still being denied to their garages by some bus operators but recently, the Society's Development Managers were gradually being allowed access subject to following strict guidelines with health and safety of the bus employees and the Society's staff in mind. Mr Ramezankhani expressed his special thanks to Mr David Brown for facilitating visits to nearly all Go-Ahead's London garages.

Mr Ramezankhani noted that lack of visits by the Development Managers, had meant that the new business annual premium for 2020 would be lower than that assumed in the Business Plan, with a possible knock on effect for 2021. Mr Ramezankhani added the Society had therefore reduced its new business forecast for 2020 by 50% and would monitor the situation closely. If the pandemic continued into next year, the forecast for 2021 would again be reviewed and reduced appropriately. However, it was anticipated that new business levels would recover to the Society's original projected levels in the Business Plan if the pandemic is over this year.

Low Investment Returns

Mr Ramezankhani turned to Covid-19's impact on investments and said the current severity of the financial, economic and demographic impacts of the pandemic were still uncertain. The Society had been in consultation with its investment manager and Chief Actuary to assess the best course of action and had decided to change its investment strategy by slightly increasing its investment in equities. Mr Ramezankhani added the Society would continue to monitor the situation and would adjust its strategy as appropriate.

Impact on Going Concern

In summary, Mr Ramezankhani said the Society had remained well capitalised in the short to medium term if the virus were to materially increase sickness and life claims during 2020, reduce new business during 2020 and 2021 and severely impact future investment returns. The Society's Actuary had considered detailed stress scenarios as a result of Covid-19 and had concluded that the Society had a strong financial position at the end of 2019 and would be able to absorb the impact of the pandemic in the short to medium term.

Mr Ramezankhani closed his address by expressing his sincere thanks to the Society's Board of Management for their commitment to move the Society forward. Mr Ramezankhani also extended his special gratitude to the Society's hardworking and loyal staff for all their hard work and commitment to support the Society and its members during these unprecedented times.

Mr Ramezankhani also thanked the Society's professional advisors and Mr David Brown for taking the time to attend and Chair the Society's AGM.

Mr Ramezankhani then opened the floor to questions and mentioned that representatives from the Society's professional advisors were present to provide detailed answers if necessary.

There were no questions.

RESOLUTION 3: TO ADOPT THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The President proposed and it was seconded that the Financial Statements for the Year ended 31 December 2019 be adopted.

3.20 Resolved - *That the Financial Statements for the year ended 31 December 2019 be adopted.*

Mr David Brown announced that 650 Proxy votes had been received; 636 were in favour of the resolution, 6 were against and 8 had abstained.

RESOLUTION 4: TO APPOINT BDO LLP AS AUDITORS TO THE SOCIETY FOR THE YEAR ENDING 31 DECEMBER 2020

The President proposed and it was seconded that BDO LLP be appointed as Auditors for 2020.

4.20 Resolved - *That BDO LLP be appointed auditors to the Society for the year ending 31 December 2020.*

Mr David Brown announced that 650 Proxy votes had been received; 636 were in favour of the resolution, 7 were against and 7 had abstained.

RESOLUTION 5: ELECTION OF Mr B HUTTON TO THE BOARD OF MANAGEMENT

Mr Peter Brown said Mr Hutton had been proposed for election to the Society's Board and had been formally evaluated as effective and had demonstrated his commitment to the role.

5.20 Resolved - *The President declared that Mr Hutton was nominated in accordance with Rule 12 and as there was no contest for the office of Director he declared that Mr Hutton was elected to the Board of Management under Rule 22(4)(a).*

RESOLUTION 6: RE-ELECTION OF 5 MEMBERS TO THE BOARD OF MANAGEMENT

Mr David Brown turned to the re-election of 5 members to the Board of Management and said all of the individuals proposed had been formally evaluated as effective in their role and all individuals had demonstrated their commitment to the role.

The President informed the Meeting that there were 5 candidates, who were eligible to stand without nomination and as there were 5 vacancies to be filled there was no contest for the office of Director and all candidates were deemed to be re-elected.

6.20 Resolved - *The President declared Messrs Barker, Brown, Jeffrey, Ramezankhani and Storer were re-elected to the Board of Management under the Society's Rule 22(4).*

RESOLUTION 7: ELECTION OF PRESIDENT

Mr Peter Brown turned to the election of the Society's President and he proposed, and it was seconded that Mr David Brown, Chief Executive of Go-Ahead Group plc, be elected to the role of President as recommended by the Board of Management.

- 7.20 Resolved** - *That Mr David Brown be elected President of the Society. Mr Peter Brown announced that 650 Proxy votes had been received, 638 were in favour of the resolution, 6 were against and 6 had abstained.*

RESOLUTION 8: ELECTION OF VICE PRESIDENT

Mr David Brown turned to the election of the Society's Vice President and said regrettably, he had to report that Mr Bob Scowen had decided that due to personal reasons, he was unable to stand for election as the Society's Vice President. Mr David Brown said the Society would like to thank Mr Scowen for the support he had shown the Society over the years and wished him all the best for the future. Mr David Brown added that efforts were being made to identify a suitable candidate to fill the role in the interim period, until formally elected to the role.

In the circumstances, No vote was taken in respect to Resolution 8.

Mr David Brown informed the Meeting that following 11 years of service to the Society as Non-Executive and Chair of the Audit Committee, Mr Chris Angell had retired from the Board of Management, but was however, continuing as a Trustee of the Staff Pension Scheme. Mr David Brown thanked Mr Angell, on behalf of the Board and staff, for his service to the Society and wished him well for the future.

There was no further business and Mr David Brown declared the Meeting closed.

CONFIRMED _____

SIGNED _____
PRESIDENT

Appendix A

PRESIDENT'S ADDRESS TO TRANSPORT FRIENDLY SOCIETY AGM 2020

Ladies and Gentlemen, I am sure it will not surprise you to hear that unfortunately, as a result of the impact of Covid-19, the Society's AGM which was due to be held on 9 June 2020, did not go ahead as a live meeting because of the Government's social distancing requirements. However, having said that, I would like to assure you that all of the issues that would have been discussed at the live AGM will still be considered in this meeting but only on the basis of written submissions we have received from the members. Additionally, all the information that would have been distributed to you at the planned AGM would have been made available to you via the Society's website.

I am sure that some of you have visited the Society's website and reviewed the Society's Report and Accounts for 2019, which includes details of the impact of Covid-19 on the Society and its members. If you have submitted questions along with your proxy form, we will deal with them later in this meeting or answers will be sent to you soon.

Before I comment on the Society's performance over the past year or so, I would like to say the human cost of the pandemic has been very sad and real for the membership of the Society and I would like to pay my respects to the members of the Society who have lost their lives as a result of the pandemic and express my condolences to their families.

As those of you who have attended the Annual General Meetings over the past few years are aware the performance of the Society has been very strong. In 2019, the Society achieved a high level of new business income. With the Development team back up to 7, I am pleased to report that the new business income increased by 22% to £709k in 2019.

Investment performance was also very positive and all regulatory requirements met and operating expenses were managed at a satisfactory level which all in all led to a very good year for the Society. However, as you will note from the Chief Executive's report in the Report and Accounts, just like many other businesses, the Society has been significantly impacted by Covid-19.

The Society has continued to pay sickness and hospital claims, including those relating to Covid-19, in addition to discretionary benefits for dental, optical and osteopathic claims. To meet its obligations to members, the Society paid significant benefits upon the maturity of policies and also on the death and retirement of members. Annual bonuses and as appropriate terminal bonuses were maintained from the previous year and are paid with policies that qualify. It is also pleasing to see the Society maintained the sickness no claim bonus at the increased level paid in 2018.

In addition to its existing products, the Society launched a new Health Cash Plan in 2019 which helps members claim cash back on a wide range of health costs such as dental, optical and therapy treatments as well as specialist and hospital-related expenses.

The Society's continued growth is down to the hard work of the Board of Management, staff, professional advisors and ambassadors who continue to drive the Society forward in increasingly challenging times.

As I said last year it is commendable that the Society remains committed to continuing to help those associated with passenger transport and I hope it will do so for many years to come.

I am sorry that we are not able to meet at a live AGM but I am sure you will understand and accept that the priority is to ensure the health and safety of all those concerned.

My best wishes for the year ahead and look forward to seeing you all at next year's AGM. Stay safe and keep well.