

MINUTES OF THE ANNUAL GENERAL MEETING OF ST CHRISTOPHER HEALTH FUND

Held on 25 JULY 2019

In the COURT ROOM, Parlours, Bank of England, Threadneedle Street.

Chairman: Mark Carney, Governor

Present: 45 members

Apologies: Received from 10 members

Sue Coffey welcomed Fund members attending the meeting and introduced the Governor, Mark Carney, who had kindly agreed to chair the AGM. The Governor expressed his particular pleasure in being able to attend upon the 100th anniversary of the Fund's creation; he felt it an honour to help celebrate the efforts of all those who had worked to promote and maintain the continuing relevance of an organisation that was so much in the best traditions of the Bank and of humanity.

1 Minutes of the Annual General Meeting held on 26 July 2018

The Chairman noted that copies of the Minutes had been made available to those present, and invited members to approve their adoption. Adoption was proposed by Julie Crowther and seconded by Linda Barnard. Members present approved the Minutes unanimously, and a copy was signed by the Chairman.

2 Report and Statement of Accounts for the year ended 31 March 2019

The Chairman invited Sue Coffey to introduce the Report and to respond to any questions from members. In her comments, Sue focussed on two particular issues - the proposed change in auditors and the imbalance between income and expenditure during the year. With regard to the auditors, she expressed the Committee's thanks to Kingston Smith for their 10 years' work as the Fund's auditors. She noted that a few members of the Fund had raised the question of auditor rotation in an earlier AGM, and the Committee had concluded during the year that it would be timely to test the market. Accordingly, Kingston Smith and Kreston Reeves ('KR') had been assessed in detail as possible auditors for the year 2019/20 by a small sub-group of the Committee. Following the evaluation, the Committee had concluded that it should recommend the appointment of Kreston Reeves; audit costs were expected to be similar, but the KR team had demonstrated great familiarity with the audit of organisations similar to the Fund and was also felt likely to prove more responsive to our needs.

As to the Fund's finances, Sue noted that expenditures had always been highly unpredictable and could fluctuate materially from year to year, depending on the volume and nature of medical claims from members. After several years of quite moderate claims' experience, we had recently seen a significant rise. However, interpretation of the underlying trend was

complicated by our decision to offer several enhancements in member benefits with effect from September 2017; our best estimate was that some 30% of the increase in claims probably stemmed directly from these changes to Fund cover. In the circumstances, and given the Fund's continuing strong asset base, the Committee saw no need for any immediate action to correct the imbalance and preferred to take a little longer to determine how to respond to the recent trend. She noted that a range of options were available including increasing members' subscriptions, further adjusting aspects of Fund benefits or a mix of both. In response to questions from the floor, Sue went on to emphasise that the Committee had given some priority during the year to enhancing Fund internal controls and documentation, including through the development of a risk register tool. This meant, for example, that in addition to e. g. more immediate financial, key person and fraud-type risks, the Committee was regularly reviewing longer-term strategic risks and the Fund's ongoing relevance and ultimate viability. In that regard, too, while Fund membership remained overwhelmingly pensioner-based, she was pleased to see during the year some increases in Fund membership from among the Bank's active staff, reflecting the Committee's ongoing efforts to expand recruitment.

Responding to a further question from the floor, Munro described previous work on the Committee to seek to model future claims on the Fund, including through seeking to derive estimates of medical cost inflation. In the event these efforts had often proved quite wide of the mark; for example, the last increase in members' subscriptions in 2011 had in fact been followed after 2013 by several years of lower and relatively stable claims' expenditures. This experience had led the Committee to offer the benefit enhancements made in 2017 - in particular because the strong growth of the Fund's investment portfolio, representing our accumulated surpluses, was by then reaching historically unprecedented levels.

The Chairman said that the Bank now had in-house actuarial expertise and would be able to offer the Fund some professional support with claims' modelling. However, it would probably make best sense to hold off a little in light of the recent coverage changes, to assist in analysing the underlying trends. Sue Coffey thanked the Chairman and said that the Fund would very much appreciate the Bank's assistance in that regard.

No further questions were raised by members and Sue proposed adoption of the report and accounts; this was seconded by Andrea Pack and approved unanimously by the members present.

Sue Coffey closed by expressing the Committee's warm thanks to Sue Davison, the Fund's Administrator, for her key role in maintaining the Fund's day-to-day operations so effectively, and presented her with a small gift.

3 Resolutions

a) Appointment of Auditors

On the Chairman's invitation, Norbert Janssen proposed the appointment of Kreston Reeves LLP as auditors for 2019/20. This was seconded by Brian Milligan, and approved unanimously.

b) Donations

At the Chairman's invitation, Tim Kidd outlined the focus of the four charities chosen for this year from nominations received from members, drawing attention to a printed fact-sheet that had been made available to those present, and proposed that each be given a donation of [GBP sign] 1,000:

Cardiac Risk in the Young
Mesothelioma UK
Saint Francis Hospice
The Stroke Association.

Tim also reminded members to send any suggestions for future charitable donations to Sue Davison. The resolution was seconded by Brian Milligan and approved unanimously.

4 Appointment of Officers for the year 2019/20

The Chairman noted that 4 nominated officers - Sue Coffey, Emma Jackson, Norbert Janssen and Munro Sutherland - had been duly proposed and seconded, and invited members to vote on their appointments. Members unanimously approved their appointment.

5 Appointment of ordinary Committee members for 2019/20

The Chairman noted that 7 nominated members - Linda Barnard, Sue Betts, Alison Cook, Tim Kidd, Simon Liddell, Brian Milligan and James O'Connor - had been proposed and seconded, and invited members to vote on their appointments. Members unanimously approved their appointment.

6 Any Other Business

The Chairman invited members to raise any other matters. No further questions were raised and the Chairman declared the meeting closed, thanking the Committee for their service and encouraging those present to stay on to enjoy the refreshments.

On behalf of all those present, Sue Coffey expressed warm thanks to the Governor for chairing the meeting.

July 2019