

At the Annual General Meeting of
THE EQUITABLE LIFE ASSURANCE SOCIETY
held on Monday, 18 May 2015 at 11.00 a.m.

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The following persons were present:

Ian Brimecome	(Chairman)	(in the Chair)
Keith Nicholson	(Deputy Chairman)	
Penny Avis		
Ian Gibson		
Cathryn Riley		
Simon Small		
Chris Wiscarson		

There were 66 members entitled to vote present in person and 5 proxies who had been appointed by members to vote on their behalf at the meeting.

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The Chairman, Ian Brimecome, opened the meeting and welcomed those attending. He introduced his fellow directors.

Presentations to the meeting were then given by the Chairman and by the Chief Executive, Chris Wiscarson.

The Chairman's presentation referred to the recent increase in capital distribution to 35%. He commented that this had been achieved as a result of reducing or eliminating risks and therefore reducing the level of capital the Society is required to hold. The Chairman stressed that the Society cannot guarantee the capital distribution, nor that it will be ever upwards or in such large increments as in recent years.

The Chairman commented on risk and return in regard to the Society's investments. In particular, while corporate bonds may provide a return better than gilts, this is at the expense of having to retain a higher level of capital; capital that could be returned to members. Board is considering whether the additional return continues to be worth the capital cost.

The Chairman referred to his statement at the previous AGM, that we should have more women on the Board. He warmly welcomed Penny Avis, who joined the Board in January. The Chairman stressed that Penny had been appointed because she was the best person for the role.

The Chief Executive then commented on actions taken to support the increase in capital distribution to 35%. These included: bringing the unit-linked business back in-house and transferring the £1bn annuity portfolio to Canada Life.

In addition, administration expenses had reduced by £4m in 2014. Key to good management of the Society is that the cost base should fall as the number of policies we administer falls. This year, about 50 staff will be leaving the Society. We are very transparent with staff about our plans and it is heartening that in a recent staff attitude survey, nine out of ten of our people said they understand what we are doing to recreate value for policyholders.

The Chief Executive referred to the pension reforms that came into effect on 6 April, which allow policyholders to take their pension benefits as cash. He commented that policyholders face risks such as the level of tax they might pay, the impact the cash may have on any state benefits, and the existence of scams. We are asking policyholders to complete a questionnaire to help draw attention to those risks.

Following the presentations, the Chairman invited Members' questions on matters other than remuneration.

Some 19 members or their proxies made reference to the following principal topics:

- Whether there is any difference in how annuity and life policies are treated
- How the 25% tax-free cash element of pensions savings is applied if partial withdrawals are taken
- The extent to which people taking their pension benefits are taking them as cash
- Whether the policyholders taking cash are those with smaller fund sizes
- Whether the pension reforms could hasten the run-off of the business
- The Society's view of the pension reform which allows for pension pots to be passed on to children or grandchildren.
- Options post age 75
- What does 'run-off' mean
- Investment strategy for the unit-linked business
- The Society's intentions in regard to investing in blue-chip equities
- The effect on the Society of a UK exit from the EU

In addition, several Members congratulated the Board on the progress made over the last year.

Responses were provided by the Chairman and the Chief Executive.

A presentation on proposed changes to executive remuneration was given by the Chair of the Remuneration Committee. She remarked that the executive are rewarded by way of: salary, an annual bonus and participation in a long-term incentive plan to reward success for projects which span several years. From 2016, it is proposed that a new bonus level is introduced instead of introducing a new long-term incentive plan. A higher level of bonus would be paid but one half of the new bonus would be deferred for three years. Provisions would be in place to claim back bonus payments if necessary. The Chairman of the Remuneration Committee stated her commitment that the replacement of the long-term incentive plan with an increased bonus will not lead to higher remuneration.

The Chair of the Remuneration Committee stressed that we are asking members to express their views. Members are not being asked to vote on the proposals at the current AGM.

Views expressed by members on the remuneration proposals included:

- Why Board considered that an LTIP was no longer appropriate
- The advantage of having a fair salary and no incentive element
- The circumstances where less than 100% of potential bonus is paid
- Consideration that the proposals are fair
- Whether an alternative model should be considered – total package set out and parts not paid if objectives not met
- Whether all staff are entitled to a bonus

The Chairman thanked Members for their feedback and indicated that the meeting would move on to the formal business. He asked that the Notice of the meeting and the Auditors' Report be taken as read and this was agreed.

The Chairman then moved to voting on the resolutions to be put to the meeting which were as set out on the poll card which members eligible to vote or their proxies had been given on entering the meeting. The Chairman proposed that all the resolutions should be dealt with on a show of hands.

The Chairman moved that the report of the Directors and the statement of accounts for the year ended 31 December 2014 together with the report of the auditors thereon be received and adopted. This resolution was passed overwhelmingly on a show of hands. The proxy votes received were displayed and the Chairman noted that the result of the show of hands was consistent with the proxy votes received.

The Chairman proposed that PricewaterhouseCoopers LLP be reappointed as auditors of the Society until the conclusion of the next General Meeting at which accounts are laid before the Society at a remuneration to be determined by the Board. This resolution was passed overwhelmingly on a show of hands. The proxy votes received were displayed and the Chairman noted that the result of the show of hands was consistent with the proxy votes received.

The Chairman proposed that the Directors' remuneration report be approved. This resolution was passed overwhelmingly on a show of hands. The proxy votes received were displayed and the Chairman noted that the result of the show of hands was consistent with the proxy votes received.

Resolutions relating to the election of directors in place of those retiring at the meeting were then put to the meeting. The Chairman remarked that, as had been the practice in recent years, all the Society's directors were submitting themselves for re-election at the current meeting. The meeting voted on a resolution in respect of each of the directors retiring and seeking re-election at the meeting, these being: Penny Avis, Ian Brimecome, Ian Gibson, Keith Nicholson, Cathryn Riley, Simon Small and Chris Wiscarson. The Deputy Chairman, Keith Nicholson, took the chair for the part of the meeting during which the re-election of the Chairman, Ian Brimecome, was proposed and voted on. In each case the result of the show of hands was overwhelmingly in favour of the re-election of the director in question. After each show of hands, the proxy votes received were displayed and it was noted that the result of the show of hands was consistent with the proxy votes received. The Chairman noted that each of the directors standing for re-election had been re-elected as a director of the Society.

The final resolution related to proposed amendments to the Society's Articles of Association. The Chairman remarked that it is proposed to provide paper copies of the Report and Accounts only on request, and for the website to be the main point of reference in future. Changes to the Articles of Association are required to give effect to this. We will write to members later in the year, to ask whether you wish to continue to receive a printed copy. The Chairman commented that details of the proposed amendments had been enclosed with the Notice of the Meeting and a copy had been available before and during the meeting.

The Chairman proposed, as a special resolution, that the amendments to the Articles of Association contained in the document submitted to this meeting and, for the purpose of identification signed by the Chairman, be hereby approved and adopted. This resolution was passed on a show of hands with a majority of clearly more than 75% voting in favour. The proxy votes were displayed and the Chairman noted that the result of the show of hands was consistent with the proxy votes received.

The Chairman thanked the members for their attendance and declared the AGM closed at 12.50 p.m.