Shepherds Friendly

Annual General Meeting 2026

Voting guide and AGM information booklet

YEARS TOGETHER

Your invitation to our 2026 AGM

Contents

How do I vote?

- Visit our AGM Portal at **agm.shepherdsfriendly.co.uk**.
- Enter the code in your letter or email to log in.
- Once logged in, you can view and vote on our resolutions. When you do this, you're appointing the Chair of the meeting to be your proxy and instructing him how you would like him to vote on your behalf.
- If you'd like a form to appoint somebody other than the Chair to act as your proxy at the AGM (this is someone who votes or attends the AGM on your behalf), please get in touch with our Company Secretary by email at **agm@shepherdsfriendly.co.uk** or by calling **0800 526 249.**
- If you'd like to join the meeting, please let us know at **agm@shepherdsfriendly.co.uk** and we'll send you instructions on how to join.

About

Our Annual General Meeting (AGM) will take place on **Wednesday 30th September at 5.15pm**.

As a mutual, you have a say in how we're run. The AGM is an opportunity to look back at our progress over the year, help shape key decisions, and hear directly from our leadership team.

We've listened to member feedback and are running a modernised online-only AGM in our online portal, where you can view and vote on resolutions.

Please get in touch at **agm@shepherdsfriendly.co.uk** for the following:

- If you'd like to attend the online meeting. We'll then send you instructions on how to join.
- If you have any questions you'd like to ask ahead of the meeting. You're also able to ask questions during the meeting if you're attending.

Appointing a proxy

A proxy is someone who votes at or attends the meeting on your behalf. If you'd like to appoint the Chair as your proxy, you can do so in our AGM Portal. If you'd like someone other than the Chair to vote at or attend the meeting on your behalf, you can request a form from our Company Secretary by email at **agm@shepherdsfriendly.co.uk**.

Please make sure we have your proxy's details before **5.15pm on Monday 28th September**.

We're looking forward to it, and we hope you'll get involved.

200 years of doing the right thing for members

We're owned by you, not shareholders. For 200 years, we've supported members like you with their financial futures, and they've shaped Shepherds Friendly's direction. Our AGM is a key opportunity for you to have your say and vote on decisions that have an impact on all of us.

To give back to our wider community, for every vote received, we'll donate £1 to Seashell Trust. A national charity, they help transform the lives of young people with the most complex disabilities.

Have your say

You can vote on decisions that impact the future of Shepherds Friendly.

These include:

- The appointment of our Board of Directors.
- An update to our rules to modernise them, which includes extending membership of Shepherds Friendly to Foresters Friendly Society members, and changing the timing of future Board elections. You can find out more about our proposal to acquire the UK insurance business of Foresters Friendly Society in the leaflet enclosed with your AGM pack.
- The proposal of a new Memorandum, which sets out Shepherds Friendly's purpose and powers. The updates also reflect changes in legislation and our business.

The proposed new Memorandum and Rules are available to view on our website at **shepherdsfriendly.co.uk/about/agm/**, but please get in touch with us if you'd like us to send you a copy by email or by post.

Asking questions

As well as placing your vote, you're welcome to put forward questions for our Board of Directors. You can ask questions ahead of the meeting by emailing **agm@shepherdsfriendly.co.uk**. Anyone attending can also ask a question on the day.

How you can join online

You can join us online on the day, or you can invite someone to attend the online meeting on your behalf. This is called a proxy. Please see your AGM letter for more information on how to appoint a proxy.

If you let us know you'd like to attend at **agm@shepherdsfriendly.co.uk**, we'll send you details of how to join the meeting.

What's inside this booklet?

In the pages ahead, you'll find a round-up of our progress over 2025, along with my update on the work of the Board of Directors.

We hope you'll take a few minutes to read, reflect, and take part in our AGM.

Mark Myers
Chair
August 2026

Chair's review 2025

The Board is pleased to present this year's Report and Accounts, and to welcome our members to a review of what has been a challenging yet strategically constructive year for the Society. Uncertain economic and market conditions have tested many organisations, including ours, but this year has also brought important progress on the Society's strategic initiatives. This report sets out how we have navigated these pressures, continued to focus on our core purpose, and worked to maintain stability for the members we serve.

As the Society reaches its 200-year anniversary, I am pleased that its purpose remains the same, to improve our members' lives through financial security. We have made it our mission to simplify finance and help our members achieve lasting financial wellbeing. Our values guide our behaviour and the way we deliver our products and services and our ambition to become your personal finance provider of choice.

External environment

Inflation and interest rates continued to ease during the year, although the pace of decline was slower than anticipated and consumers and savers continued to manage pressures from the cost of living. Our members have had to make difficult decisions about their financial priorities, carefully reviewing their personal finances and, in many cases, drawing on existing savings to help manage affordability.

Domestic healthcare pressure continued to intensify, with medical appointment waiting lists and unemployment placing additional strain on public services and household wellbeing. At the same time, reductions in government-provided sickness benefits added further financial pressure for individuals facing ill health. These combined factors created a more challenging environment for members and many were thankful to have the comfort of their Income Protection policies, meaning the Society was there for our members when you needed us most.

For our saving members, investment markets have been volatile during the year caused by on-going trade tensions and geopolitical uncertainty. Our investment strategy focuses on a diversified portfolio of investment assets alongside our strategic investment in the Society's Income Protection proposition and this has helped to protect our members from the effects of volatility. As a result, the Society continues to pay competitive quarterly bonuses to our With-Profits members even during periods of significant market volatility.

Our response

The Society responded proactively to these external pressures by strengthening its support for members. Operational processes were reviewed to improve the efficiency and consistency of processing member requests including claims handling. Alongside this, the Society invested in supporting our members in recovery using rehabilitation services. This enabled us to help our members with what matters most and get back into work more quickly.

We have also continued to update our technology platforms through our online and mobile app investment. More and more members are now able to do what they need to do immediately for themselves without writing or calling, saving you time and costs to the Society which in turn is passed onto members in the form of quarterly bonuses.

The Society regularly reviews and continues to invest strategically in our Income Protection proposition so that the product continues to meet the needs of our policyholders and the Society's wider membership base.

The Society also recognises the importance of choice for its members, and we have launched a unit-linked Stocks & Shares ISA that provides members with additional options depending on their financial priorities and appetite for investment risk. This will help diversify the sources of new business for the Society and add resilience to the Society's longer-term growth.

Financial results

The Fund for Future appropriation ("FFA"), which represents the capital available for the long-term growth of the Society and protects members against future risks, is £21.7m, compared with £20.8m at the end of the previous year. The increase in FFA was driven by the growth in the Society's membership and this is testament to the Society's member-focused products and engagement.

While the Society's FFA has increased, the Society's solvency ratio, a measure of the Society's financial strength, decreased from 189% at 31 December 2024 to 171% at 31 December 2025. The reduction in solvency over 2025 primarily reflects the impact of business growth and associated capital strain, alongside movements in underlying experience. The Board continues to monitor the position closely and will take appropriate actions as needed to maintain a strong and resilient capital position.

Ongoing strategy

Our vision is to grow sustainably and if the strategic fit is right, by acquisition. We have already made meaningful progress towards this strategy, including reaching agreement on the terms for the transfer of Foresters Friendly Society's UK insurance business to us. The finalisation of this transfer is subject to members' and regulatory approval and members will find more detail in their AGM pack. As explained there, we will be holding a Special General Meeting of members soon at which you will be invited to vote on the proposed transfer. If approved by members of both Shepherds Friendly and Foresters Friendly Society and by our regulators, the transfer is expected to take place in 2027 and will support Shepherds Friendly members with additional scale and a more resilient position for the FFA.

Throughout 2025, we also made significant progress by strengthening our product offering, enhancing our technical infrastructure, and investing in the development of our people. These investments are continuing to accelerate in 2026 and our overall aim is to become your personal finance provider of choice.

I am proud of the direction in which the Society is moving and of the dedication our people continue to show in delivering our strategy.

Our Board

2025 was a year of significant change for our Board, marked by our Chief Executive Ann-Marie O'Dea's decision to step down. I would like to express my sincere gratitude for her leadership, hard work and dedication over the last decade. We now welcome our new CEO, Jonathan Sandell and look forward to his new insight and direction as the Society enters the next phase of its strategic development. I would also like to welcome Oliver Laird to the Board as our new Audit & Compliance Committee Chair, having replaced Simon Pashby at the last AGM. Simon has been instrumental in shaping the governance of the Society and providing calm and wise counsel throughout his nine years of service.

Collectively, the Board forms a strong and effective team, united in our commitment to the strategy that will guide the Society over the coming years. We remain fully committed to delivering on this vision and to the organisation's continued progress. To do this we need the dedication and support of our people and I thank them for their tremendous loyalty and efforts to deliver the best possible outcomes for you, our members.

Mark Myers
Chair
August 2026

Chief Executive's review 2025

It is a privilege to be joining the Society as Chief Executive in its bicentennial year and a deeply personal responsibility to help ensure that we continue to fulfil our purpose. This is a pivotal moment for the Society - one shaped by meaningful progress, evolving expectations, and real opportunity. Over the past months, I have been inspired by the dedication of our people to support our members, and the strength of the foundations already in place. As we look ahead, my focus is on building the momentum of the business and ensuring we continue to support members to build their financial security.

Our KPIs

Membership numbers, solvency ratio and the Fund for Future Appropriation ("FFA") are our key measures that we rely on to understand how effectively we are performing and whether we are moving in the right direction. They outline the indicators that help us track our momentum, assess the impact of our decisions, and confirm that our activities remain firmly connected to our long-term ambitions as a mutual organisation.

The Society's in force policy numbers have increased to 166,000 (2024: 159,000). The increase was a combination of member retention and new business volumes in the year, mainly on our With-Profits book of business which has grown by 16%. The Society's FFA has increased by £0.9m and solvency ratio was 171% at 31st December 2025, comfortably above the regulatory requirements.

Understanding this year's financial outcomes

Over the year, the Society has invested to promote our products, brand and distribution channels, and make them more relevant to members and target markets. As a result, the Society's total net premiums have increased by £8.6m. Claims incurred, net of reinsurance have increased relatively less at £2.8m even as external domestic pressures caused an increase in the amounts paid out to support our members in the form of withdrawals from savings products and Income Protection claims.

Net operating expenses increased from £22.2m in the prior year to £22.5m in 2025. This increase of 1.3% is primarily driven by the strategic investment into the business to deliver growth and ensuring the Society has the systems and controls in place to effectively support that growth. Acquisition costs have reduced in line with lower commission costs in the year.

Total investment assets held by the Society increased by £35.4m to £181m driven largely by investment income of £19.9m and net additions to investments of £15.5m in the year. This growth reflected the broader optimism over 2025 in global equity markets, which rebounded from volatility earlier in the year linked to trade tariff concerns. While equity markets reached new highs, they remain volatile with the ongoing geopolitical uncertainty and concerns over the impact of artificial intelligence ("AI") on valuations. Our investment strategy aims to protect members from this volatility by diversifying its investments across a range of assets such as corporate bonds, commodities and cash, in addition to equities and the strategic investment in Income Protection.

The value of long-term business provision has increased by £10.5m as a function of new business in the year and the Society's strengthening of reserves to manage the uncertainty of policyholder experience over 2025.

Progress against our strategy

We set out at the start of the year to refresh our strategy by focusing on three core priorities: strengthening and evolving our product offering to ensure it remains relevant for members and attractive to new markets; investing in the growth of our With-Profits membership base; and enhancing the way we work by developing the skills and capabilities of our people. Alongside this, we committed to improving our technology environment so our teams can operate efficiently and securely while continuing to deliver high quality service to members.

I am pleased to report that we made strong headway across all three strategic aims. Below, I outline the major achievements that brought this progress to life.

Products

Towards the end of the year, we launched our unit-linked ISA product, an important addition to our portfolio designed to broaden our reach and appeal to a wider customer base. This advanced offering provides members who select it with a fully integrated, end-to-end in-app experience, giving them greater control and convenience in managing their medium and long-term investments.

We undertook a comprehensive strategic review of our Income Protection product during the year, assessing its structure and identifying opportunities to ensure it remains competitive and fit for members. The insights gained will inform our plans for 2026 and beyond, supporting a strong and sustainable product proposition. We also strengthened our industry engagement through our collaboration with the Income Protection Task Force (IPTF), contributing to wider efforts to improve awareness and understanding of Income Protection across the market. In addition, we continued to invest in the support available to our Income Protection members, enhancing access to timely interventions that promote recovery and help facilitate a safe return to work.

We continue to review and refine our distribution channels across both our core internal products and our partnership arrangements. For our core offerings, we are ensuring that our products are positioned on the most effective and strategically aligned portals to maximise reach and visibility.

We are continuing to broaden our product expertise within our partnership network, where we have seen strong results from our group life collaboration introduced last year. During the year, we also expanded our offering by collaborating on a new Direct-to-Consumer Level Term Life Insurance product, further strengthening our presence in the protection market.

People

The Society recognises that our people and our culture of agility, resilience and flexibility are central to delivering our strategic objectives and achieving the best outcomes for our members. We have continued to evolve and strengthen our ways of working, enhancing processes and procedures to maximise the effectiveness of our operating approach.

Throughout this period of change, we have actively involved our people and created multiple channels for them to share feedback. We have continued to invest in their development through career progression opportunities and a range of training and upskilling options such as leadership courses through the Association of Financial Mutuals. The Society remains a strong advocate for a positive employee experience and the importance of continually investing in our employer value proposition.

Technological environment

Over the year, we delivered a wave of platform, security, and user experience improvements across our mobile app. We modernised our technology and performed security and maintenance updates to support on-going operational resilience. We expanded core product capability by launching new features for the Society's Stocks and Shares and Investment ISAs. Collectively, these changes strengthened performance, security, reliability, and readiness for upcoming product launches while delivering a smoother, more accessible experience for customers.

We have also made significant investments in our internal technology landscape to ensure colleagues have the modern, reliable, and efficient systems they need to perform at their best. This has included upgrading core applications, streamlined internal processes, and enhancing the stability and usability of the technology that our teams rely on every day.

Looking forward

In the year ahead, our focus is simple: delivering great outcomes for our members and customers, every time. That means continuing to improve the quality and reliability of the services we provide, wherever people choose to engage with us. We are looking forward to welcoming new members to the Society from Foresters Friendly Society, subject to members' and regulatory approval. We also want to build real momentum in our commercial performance by growing new business through our intermediary partners and further enhancing our With-Profits and Unit-Linked offerings.

We'll keep pushing forward on improving our digital journeys too, investing in technology that makes life easier for both our customers and our colleagues. And as we grow, we're committed to continuing to run the business in a disciplined and professional way, sharpening our governance, and strengthening the systems and controls that help us operate with clarity and confidence.

Most importantly, we'll continue to invest in our people. Their energy, collaboration, and ambition are what make everything else possible. By supporting their development and nurturing a high-performance culture, we'll put ourselves in the strongest position to support our members as the Society enters its third century.

Jonathan Sandell
Chief Executive
August 2026

Going concern statement

The Association of Financial Mutuals (AFM) Corporate Governance Code comments that the Directors should state whether the business is a going concern over the next 12 months from the date of approval of the financial statements. In considering the going concern statement, the Directors have considered the following:

- The Group's business activities, together with the factors that are likely to affect its future development and financial strength (see details in the Chair's and Chief Executive's Reports in the Reports and Accounts on our website);
- The analysis of material risks faced by the Group and the management of those risks (see details in the Reports and Accounts on our website);
- The confirmation from the Society's Chief Actuary that the Society had a solvency level higher than that required for regulatory purposes as at 31st December 2025 and throughout the year (further details are included in the Solvency and Financial Condition Report which is available on our website); and
- The actions that management can take to manage emerging risks and the scenario testing performed as part of the annual ORSA process and demonstrating solvency above the minimum regulatory requirements under a number of plausible but extreme market scenarios.

Having due regard to these matters and after making appropriate enquiries, the Directors confirm that they consider it appropriate to prepare the financial statements on a going concern basis.

The Directors have also considered the Society's longer-term viability over a period of at least five years as part of the ORSA process. This assessment considered the resilience of the Society to risks that would threaten the business model, future performance, solvency or liquidity of the Society. Stress testing was performed using a range of severe but plausible scenarios over the assessment period. The scenarios included significantly unfavourable variations in the level of new business, underlying economic assumptions, and policy lapses and claims due to adverse circumstances such as geopolitical uncertainty.

In the 2025 ORSA, we have also considered how those variations might evolve with the uncertainty in the interest rate movements and persistent inflation.

Based on these assessments, the Directors have a reasonable expectation that the Group and the Society will be able to continue in operation and meet their liabilities as they fall due in the foreseeable future.

Principles and Practices of Financial Management (PPFM) Update

In November 2025, we made some updates to our PPFM, which describes how Shepherds Friendly's With-Profits business is managed, including clarifications to the way we pay bonuses out.

Changes were made to 1.8, 3.12, 3.27, 3.28, 3.31, 3.37, 3.39, 3.40, 3.41, 5.12, 7.4, 7.5 and Sections 1, 4 and 6. You can read the updated version here: **shepherdsfriendly.co.uk/about/ppfm/**.

Remuneration report 2025

The Remuneration & Engagement Committee provides this Report in accordance with the Friendly Societies Act 1992 in respect of remuneration for the Executive and Non-Executive Directors of the Society. The Board has approved the Remuneration Policy which is implemented and governed by the Remuneration & Engagement Committee which consists of independent Non-Executive Directors.

Remuneration Policy

The Society's Remuneration Policy rewards both corporate and individual performance as well as providing a competitive package to attract and retain high calibre individuals. The Policy complies with all relevant regulatory obligations. We also comply with good corporate governance practice as well as relevant principles of the AFM Code.

This policy provides the framework within which all remuneration decisions relating to people and Executives will be made. The Society aims to ensure that our approach to reward and remuneration is straightforward and easy for our people to understand and aligns with our brand values of making a difference, working together and doing the right thing.

Executive Directors' remuneration

The Committee is responsible for recommending the remuneration package of the CEO to the Board. The Committee is responsible for reviewing and approving recommendations from the CEO regarding the remuneration package for senior executives and ensuring that they comply with the Remuneration Policy. The CEO is responsible for setting the remuneration of all other employees in line with the Remuneration Policy. The components of the Executive Directors' remuneration are described below.

Salary

The salary level is set commensurate with that of similar sized businesses in our sector, and to reflect the skills and experience of the individual. The salary is competitively pitched based on a benchmarking exercise that is conducted periodically.

Performance bonus

The Executive Directors can earn an annual bonus following the successful achievement of performance targets that are set to ensure the strategic objectives of the Society are achieved. Targets are quantifiable measures linked to financial, corporate, governance and culture related objectives. The annual bonus has a maximum potential of 30% of basic salary. The Committee can also award discretionary amounts for exceptional contribution. The targets are monitored at various intervals during the financial year. The final bonus calculations are based principally on the performance of the Society measured against the agreed targets. The timings of payment and amount paid as bonus is subject to the Committee's discretion. The bonus payable is recommended for approval by the Committee to the Board. The Committee also exercises its discretion to ensure that other factors are taken into account to ensure objectives are not achieved in the current year as a result of actions which would be to the longer-term detriment of the Society or its members.

Pension

The Executive Directors participate in the Group's defined contribution pension scheme, or until 31st December 2025, had the option to participate in alternative personal pension arrangements as approved by the Committee. Contribution entitlements can be paid in cash instead when pension contribution taxation limits are exceeded, at no further cost to the Society and subject to approval by the Committee.

Benefits in kind

The Executive Directors are provided with private healthcare insurance.

Non-Executive Directors' remuneration

The fees of the Non-Executive Directors are agreed by the Board and reviewed by the Committee periodically. The fees are based on current market rates and the level of time commitment required to fulfil their duties; an additional fee is paid for Committee Chair responsibilities.

Our policy is that no element of the remuneration of Non-Executive Directors is performance related. The Non-Executive Directors stand for election annually on the basis that their prior year performance has been assessed as satisfactory by the rigorous appraisal system and commitment to ongoing professional development applicable to them.

Board Remuneration 2025

The remuneration of the Executive and other members of the Board is set out in the audited table below.

Name	Basic pay	Bonus	Pension supplement	Other Benefits[1]	Total 2025	Total 2024
	£	£	£	£	£	£
Executives						
A M O'Dea[4]	275,096	68,499	22,902	3,270	**369,767**	**373,158**
C Critchlow	178,466	44,438	21,329	16,706	**260,939**	**261,584**
S Chivers	160,650	40,002	14,968	1,252	**216,872**	**219,368**
	614,212	**152,939**	**59,199**	**21,228**	**847,578**	**854,110**
Non-Executives						
M Myers[5]	61,200	-	-	3,633	**64,833**	**39,847**
A McKinna	39,799	-	-	1,001	**40,800**	**35,001**
C Mills	36,799	-	-	702	**37,501**	**36,804**
N Tinegate	36,799	-	-	934	**37,733**	**30,186**
O Laird[2]	33,299	-	-	559	**33,858**	**-**
S Pashby[3]	19,249	-	-	542	**19,791**	**40,181**
N Wynn-Evans[6]	-	-	-	-	**-**	**62,800**
	227,145	**-**	**-**	**7,371**	**234,516**	**244,819**
TOTAL	**841,357**	**152,939**	**59,199**	**28,599**	**1,082,094**	**1,098,929**

[1] Executive Directors receive private medical cover. Mr Critchlow and Non-Executive Directors receive expenses for travel to and from the Group's Head Office. These are included under "Other Benefits" and taxed through PAYE.

[2] Appointed as Non-Executive Director on 7th July 2025

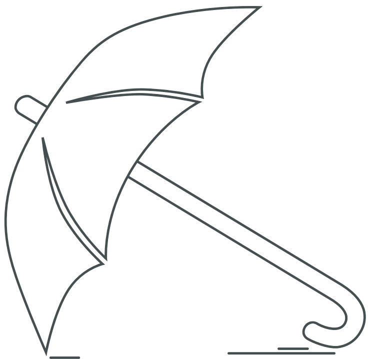
[3] Retired on 7th July 2025

[4] Stepped down on 31st December 2025

[5] Appointed as Chair on 1st January 2025

[6] Chair until retirement on 31st December 2024

Alison McKinna
Remuneration & Engagement Committee Chair
August 2026



Directors' Update

For the year ended 31st December 2025.

Corporate Governance

The Society is governed primarily by the Friendly Societies Act 1992 and complies with the Corporate Governance Code set by the Association of Financial Mutuals. The Society is also committed to meeting requirements set by its regulators, the Financial Conduct Authority and Prudential Regulation Authority which have contributed to improved overall governance standards.

The AFM Corporate Governance Code (The AFM Code)

The Society is a member of the Association of Financial Mutuals (AFM) and has applied the AFM Corporate Governance Code (the Code) for Mutual Insurers over 2025. The Code sets out a set of principles of good corporate governance using an 'apply and explain' approach, focusing on the culture within an organisation and employee and stakeholder engagement.

Role of the Senior Independent Director - Alison McKinna

In publicly listed companies, the role of a Senior Independent Director is to act as a voice of the shareholders, ensuring their interests are fully understood by the Board. At Shepherds Friendly, our members are in effect the owners of the Society, and we are committed to placing them at the heart of everything we do. Alison's role as the Senior Independent Director is to ensure that this happens, and also to act as a channel of communication for any member who believes they have an issue or problem which cannot be resolved through the usual channels.

Climate change

The Society recognises its role as a responsible business to consider the implications of climate change on our members, our operations and our community. Like most health and life insurers, the Society may be impacted by the transitional effects of climate change. Physical risks of climate change are not, at this stage, expected to have a material impact on the Society.

Complaints

The Society has in place clearly documented procedures for the handling and recording of complaints, which means that the Member Services team will investigate all complaints thoroughly and impartially within a reasonable time. Any member who feels dissatisfied with the result of such an investigation has the right to raise the matter with our Senior Independent Director and can also choose to refer the complaint to the Financial Ombudsman Service.

Pension scheme

The assets of the Society's defined benefit pension scheme are totally separate from the assets of the Society and are invested with independent fund managers. The trustees of the pension scheme include both member nominated and employer nominated trustees. The actuaries of the pension scheme are independent of those of the Society.

Appointment of auditors

BDO LLP were re-appointed as auditors at the 2025 Annual General Meeting. BDO LLP are permitted to serve as auditors for a further four years, subject to annual approval by members. BDO LLP have expressed their willingness to continue in office. A resolution to re-appoint BDO LLP will be proposed at the Annual General Meeting.

Corporate governance - Board of Directors

Below is an overview of the members of our Board as at the date of approval of the financial statements, along with a summary of their professional experience. Each is standing for election or re-election at the AGM.

Re-elections to the Board

Mark Myers
Chair and Non-Executive Director
(Chair of Nominations & Governance Committee)

Experience: Mark has worked in the Financial Services sector for 40 years and has a broad range of experience across banking and insurance, having worked for both public companies and mutual organisations. His recent experience was as CEO of British Friendly, a mutual Income Protection provider and interim CEO of MetFriendly, an affinity based With-Profits mutual which provides savings and investment products to members of the police service.

External appointments: Committee Member of Huntingdon Racecourse and Chair of the Board of Trustees of the Fry Art Gallery, Saffron Walden.

Alison McKinna
Non-Executive Director
Senior Independent Director
(Chair of Remuneration & Engagement Committee)

Experience: Alison has experience in both the public and private sector, across multiple industries including financial services, technology, healthcare and charities. She is an accomplished and client focused business leader with a successful track record of business transformation ensuring financial growth, digital innovation and improved customer experience. Alison was a finalist for Board Director of the Year in the UK Women in IT Awards 2021, recognising her contribution to technology enabled organisations, and support for diversity and inclusion.

External appointments: Non-Executive Director of BHSF (Chair of Remuneration Committee)

Cameron Mills
Non-Executive Director
(Chair of Fair Members Benefits Committee)

Experience: Cameron qualified as a Fellow of the Faculty and Institute of Actuaries in 1988. He has worked in the insurance industry for over 40 years not only in the UK but also in Europe and Asia. Cameron's last executive position was a Director and Chief Actuary for a UK mutual insurance company. Prior to that he has held roles in risk, compliance, marketing and sales.

External appointments: None

Neil Tinegate
Non-Executive Director
(Chair of the Board Risk Committee)

Experience: Neil is an experienced portfolio Non-Executive Director and Board Advisor across retail, consumer goods, financial services and education sectors. During his executive career, he held senior leadership roles within global PLCs, AIM-listed firms, and private equity-backed businesses.

A digital specialist, Neil has led large-scale initiatives to modernise and transform major UK and European businesses. He brings significant expertise in digital strategy, organisational change, and corporate governance, providing strategic oversight of digital evolution and long-term value creation.

External appointments: Non-Executive Director of Mansfield Building Society, Trustee of Shaw Education Trust and external advisor to a range of corporate clients.

Oliver Laird
Non-Executive Director
(Chair of Audit & Compliance Committee)

Experience: Oliver has over 20 years of experience across retail, financial services and manufacturing sectors. With his extensive knowledge and insights at the board level as a CFO and Non-Executive Director, he is commercially focused and has a proven track record of delivering strategic change and operational improvements. Oliver has served as Chief Financial Officer at Lookers PLC and First Direct Bank, Director of Central Finance at Lloyds Banking Group, and Finance Director of Co-Op Insurance Services.

External appointments: Non-executive positions in both mutual and public organisations, including Beverley Building Society, Vanquis Bank and Paysafe.

Elections to the Board

Jonathan Sandell
Chief Executive

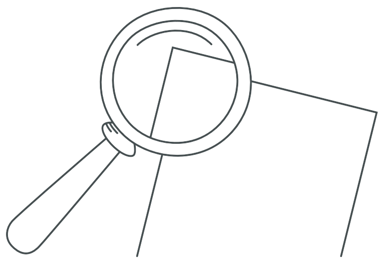
Experience: Jonathan joined Shepherds Friendly as CEO in January 2026. He brought with him a wealth of experience gained from 20 years of leadership roles in the financial services industry. Most recently, he was the Customer and Proposition Director at Lloyds Banking Group, and in a previous role at Prudential UK and Europe, he managed the retail product portfolio and was responsible for redesigning its pensions and retirement proposition. He has also worked as an independent consultant. As Chief Executive, Jonathan provides strategic and operational leadership to ensure the Society's continuing development and financial stability.

External appointments: None

Members, don't forget to have your say

You can vote on decisions like our Board of Directors.

- Visit our AGM Portal at **agm.shepherdsfriendly.co.uk**.
- Enter the code in your letter or email to log in.
- Once logged in, you can view and vote on our resolutions.
- If you'd prefer to vote by post or to appoint anyone other than the Chair as your proxy to attend the meeting and vote on your behalf, please get in touch with our Company Secretary by email at **agm@shepherdsfriendly.co.uk** or on **0800 526 249**



Summary of Financial Results 31st December 2025

This financial statement is a summary of information in the audited Annual Accounts and the Report of the Board Management. You can find the full version on our website: shepherdsfriendly.co.uk/about/reports-and-accounts/

Summary Consolidated Statement of Comprehensive Income for the Year Ended 31st December 2025

	2025 £'000	2024 £'000
Earned premiums, net of reinsurance	50,619	41,998
Investment income incl. gains/(losses) on the realisation of investments	1,476	867
Unrealised gains/(losses) on investments	18,636	11,808
Other technical income	191	38
Total technical income	**70,922**	**54,711**
Claims incurred, net of reinsurance	24,557	21,736
Changes in technical provisions, net of reinsurance	23,012	13,094
Net operating expenses	22,517	22,198
Tax on other technical net income	-	-
Total technical expenditure	**70,086**	**57,028**
Surplus/(Deficit) of income over expenditure	836	(2,317)
Transfer (to)/from fund for future appropriations	(836)	2,317
Balance on technical account - long term business	-	-
Statement of other comprehensive income		
Items that will not be classified to technical account		
Actuarial gain on pension scheme	28	325
Transfer to fund for future appropriations	(28)	(325)
Total other comprehensive income for the year	-	-

Approved by the Board on 1st April 2026.
M Myers - Chair, J Sandell - CEO

Summary Consolidated Balance Sheet as at 31st December 2025

	2025 £'000	2024 £'000
Assets		
Investments	181,269	145,849
Debtors	2,318	2,070
Intangible assets	559	696
Other assets, including cash	8,631	15,089
Prepayments and accrued income	357	323
Long-Term Business Provision for protection business	80,040	70,302
Reinsurers' share of technical provisions	14,825	14,231
Pension scheme asset	948	866
Total assets	**288,947**	**249,426**
Liabilities		
Fund for Future Appropriations	21,672	20,808
Technical provisions	262,226	223,864
Provisions for other risks	200	-
Creditors arising from direct insurance operations	732	323
Creditors arising from reinsurance operations	687	1,186
Other creditors including taxations and social security	848	981
Accruals and deferred income	2,582	2,264
Total liabilities	**288,947**	**249,426**

Approved by the Board on 1st April 2026.
M Myers - Chair, J Sandell - CEO