

## Agenda Item 2

### THE RIVERSIDE GROUP LIMITED

The Annual General Meeting of The Riverside Group Limited (TRGL) was held at 2 Estuary Boulevard, Estuary Commerce Park, Liverpool L24 8RF on Monday 16 September 2013 at 12.30 pm.

**Present:** Mr P Brant in the Chair, Mr P Clitheroe, Mr J Curran, Mrs S Jee, Ms A-M Jones, Mrs C J Kennefick and Mr M J Little.

In attendance were Ms J E Baggaley, Mrs L Hearn, Ms C M Matthews, Mrs L F McCracken (Secretary), Ms P Meadows, Mrs K Reynolds, Ms J M Vail, Ms P Welford and Mr J R W Wood.

Apologies for Absence were accepted from Mr P J Han, Mr P H Raw, Mr D Sagar, Mr M Steinberg, Mr R I Webb and Ms L Wright.

- 1 The Notice convening the meeting and the Auditors' Report were taken as read.
- 2 The Minutes of the Annual General Meeting held on 20 September 2012 were approved and signed.
- 3 Ms J E Baggaley, Chief Financial Officer spoke to and highlighted aspects of the Financial Statements. Further information was requested by Shareholder Members, Mr J Curran and Ms A-M Jones (on behalf of Mr W Shortall, Riverside Mersey North Divisional Board Member) and replies given as follows:

a Pension liabilities

The Group has been addressing its pension deficit over a number of years which, in 2012/13, included commissioning of a review by KPMG of options to manage pension liabilities. A significant action from this review was to close the Final Salary Defined Benefit Scheme to new employees from August 2013. The Group also takes into account the position on and developments in pension provision in the housing sector.

b Availability of Information to Shareholders

Shareholder Members are not Board Members, each role having different rights and responsibilities. The practice of making available service contracts to Shareholder Members for 15 minutes prior to and during Annual General Meetings is a requirement of the UK Corporate Governance Code and must be complied with by listed Public Limited Companies. TRGL is an Industrial & Provident Society, not a company, and has adopted and complies with a code which is relevant to the housing sector - the National Housing Federation's "Excellence in governance" code for its members. The National Housing Federation's Code does not contain this provision, nor is it recommended as good practice by that Code.

c Directors' and Senior Staff Emoluments

A large severance payment to a member of senior staff in the year was strictly in accordance with the employee's contractual terms and conditions of employment and non-payment would have exposed the Group to a potential employment tribunal claim and reputational risk. The regulator has raised no issues with the payment.

d Investments

- i A few years ago TRGL Board made a decision to diversify into identified commercial ventures in order to spread its risks, the approach characterised by a cautious and long term view and on the understanding that there may be a requirement for support from as well as positive returns to TRGL. The regulator has raised no issues with investments in subsidiaries.
- ii Neither TRGL nor its subsidiaries, nor the Pension Fund Trustees have any direct investments in companies which are part of or affiliated with payday lenders companies. In relation to the Riverside Pension Scheme, Riverside is one of many investors in a wide portfolio and is unable to specify exactly what investments are made. However, the investment managers are required to adhere to the Group's Statement of Investment Principles, balancing cost, legal and ethical considerations.

The Chair proposed:

THAT the Annual Report and Accounts of the Association for the year to 31 March 2013, now laid before the meeting, be received.

Mr J Curran seconded the resolution, which was put to the meeting and declared carried.

4 The Chair proposed:

THAT KPMG LLP be and are hereby appointed auditors of the Association to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which Accounts are laid before the Association.

Mrs C J Kennefick seconded the resolution, which was put to the meeting and declared carried.

5 The re-election of Mr P J Han and Ms A-M Jones was declared carried under Rule D13.

The Chair reported that Mr Y Turgut was not eligible for re-election as he had completed 9 years' service on the Board which is the maximum permitted under Riverside's Governance arrangements. The Chair expressed his thanks to Mr Turgut for his service accordingly.

There being no further business, the meeting was closed.

Meetings/generalmtgs/AGMs/AGM 2013/Mins of TRGL AGM 16.9.2013.JMV