

HIGHLIGHTS OF THE TRGL BOARD MEETING HELD ON 4 OCTOBER 2017

RETIREMENTS AND ELECTIONS AT THE RIVERSIDE GROUP LIMITED (TRGL) ANNUAL GENERAL MEETING 2017

The Chair reported that at the Annual General Meeting held on 7 September 2017, Sally Trueman and Jonathan Dale were re-elected as TRGL Board Members for a further term of three years. Philip Han had stepped down from the TRGL Board having reached his maximum term of office of 9 years.

INVESTING IN NEIGHBOURHOODS

The Chief Executive Officer reported that a consultant had been engaged to assist Riverside in identifying priorities for neighbourhood regeneration and to support the Group in accessing networks and best practice in its regeneration activity.

RIVERSIDE CARE AND SUPPORT

The Board welcomed the news that following positive inspection outcomes for two registered services by the Care Quality Commission, all Riverside Registered Care Services were rated as 'good' with some having outstanding features.

STATUTORY COMPLIANCE

It was noted that Riverside's Strategy for ensuring compliance with all legal requirements in relation to its properties had made good progress. An outline of a new Strategy to be implemented in 2018 was reviewed, that would build on the work already completed and extend the scope of Riverside's compliance activities.

TRANSFORMATION PROGRAMME

An update was provided on progress made as Wave 1 of the Transformation Programme for Riverside, designed to achieve the best possible operating structure for the Group, was coming towards an end. The Programme was progressing well and had identified further opportunities for Riverside to improve how it operates and delivers its services. Proposals to extend the scope of the Programme to take full advantage of these opportunities were considered and received the support of the Board however a request was made for further financial analysis to support the Board's understanding of the associated costs and benefits.

IT STRATEGY 2016 – 2020: INTERIM MID-YEAR UPDATE

An update on progress made in delivering Riverside's IT Strategy was noted with a key highlight being the delivery of the new housing management system, Open Housing scheduled for completion before the end of 2017/18. Good progress was also being made with the IT Foundations Programme, which focussed on Information Security, IT resilience and IT Service Management Processes. A Strategic IT Roadmap for the period 2017/18 to 2019/20 was reviewed, a key objective of which was to invest in IT and continued improvement to systems, processes and capability to ensure Riverside meets its customers' needs both now and in the future. The Board supported the proposals as vital to achieving Corporate Plan objectives and asked for further information to ensure that it fully understood all financial implications.

INTEGRATED STRATEGIC PERFORMANCE REPORTING

It was noted that the Group was in a fairly healthy position and performing well against each of the key Corporate Plan themes and against budget. Performance in Care and Support and

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Neighbourhood services was noted as being particularly strong. The key areas of performance risk were highlighted as low commercial sales and high responsive repair costs and the Board were assured that action was being taken to address these issues.

STAFF TEMPERATURE CHECK SURVEY

Findings from the latest staff survey were reviewed and the Board was content that overall staff satisfaction remained largely stable despite the large scale of change occurring across the Group. There were some areas where satisfaction figures had dropped and this resonated with the timing of the Transformation Programme in these areas, alternatively there had been an increase in satisfaction in other areas of the business.

ANNUAL HEALTH, SAFETY AND ENVIRONMENTAL REPORT

Health and Safety activity and performance across the Group for the 2016/17 financial year was noted as being good with a number of external accreditations achieved. Forthcoming work would build on progress to date and focus on encouraging a stronger culture of reporting safety-related incidents.

RISK

A streamlined and refreshed Risk Map designed to be more responsive to new and emerging risks to Riverside was reviewed. The Board was pleased with the ever-increasing focus on risk across the Group and work underway to enhance how risk is communicated and reported.

MEETING MINUTES

Board/committee: The Riverside Group Limited (TRGL) Board (the “Board”)

Date and time: 15.00, 04/10/17

Location: Aloft, James Doyle Suite, 1 North John St, Liverpool L2 5QW

Present:

- Max Steinberg - chair
- Pauline Davis - vice-chair
- Susan Jee - treasurer
- Tim Croston - board member
- Jonathan Dale - board member
- Peter White - co-opted board member
- Carol Matthews (CMM) - co-opted board member

In attendance:

- Janice Murray - tenant observer
- Ingrid Fife – observer
- John Glenton (JG) - Executive Director of Care and Support Services
- Ian Gregg (IG) - Executive Director of Asset Services
- Léann Hearne (LH) - Executive Director of Shared Services and Business Transformation
- John Wood (JRWW) – Executive Director of Neighbourhood Services
- Alison Stock – Director of IT for items 11 and 12
- Emma Turner (ET) – Head of Treasury for items 14 and 20
- Jayne Mitty (JM) – Senior Business Partner for item 13
- Anne-Marie Owens - Governance Manager (Secretary)

Min ref:	Agenda item	Action
962/17	<p><u>Apologies for absence (item 1)</u></p> <p>Apologies were received and noted from Sally Trueman and Rosemary Farrar.</p> <p>The Chair welcomed Tim Croston to his first meeting as a TRGL Board Member and Ingrid Fife to her first meeting as an observer in advance of her effective date as a TRGL Board Member at the end of October.</p>	
963/17	<p><u>Declarations of interest (item 2)</u></p> <p>For item 14 – Riverside Pension Scheme Actuarial Valuation Result</p> <p>An interest was declared by the following individuals on the basis that they were deferred members of the Scheme.</p> <ul style="list-style-type: none"> • John Wood • Leann Hearne • Carol Matthews 	

Min ref:	Agenda item	Action
	<p>An interest was declared by Susan Jee, on the basis of her position as a Riverside Group Pension Trustee, and her contribution to deliberations and emerging proposals on how the deficit should be treated. It was agreed that Susan would leave the meeting during this item.</p> <p>Although a Riverside Group Pension Trustee, Carol Matthews has not taken part in discussions on the treatment of the pension deficit and it was therefore agreed that it would be appropriate for her to undertake the role of employer representative and as such present this item.</p>	
964/17	<p><u>Chair's Action</u></p> <p>The following decisions taken between Board meetings under Chair's Action were noted:</p> <ul style="list-style-type: none"> i) Appointment of Anne Parker as interim RC&SC Chair ii) Approval of TRGL Board Minutes of the meeting held on 7 September 2017 	
965/17	<p><u>Chair's matters (item 3)</u></p> <p>The Chair detailed the business on the agenda which would likely require significant meeting time and proposed that items 10, Gas Safety Issues and Duty of Care Exercise and 21 Statutory Compliance be taken together due to common themes. The Board agreed the proposed adjustment to the agenda order.</p>	
966/17	<p><u>Minutes of the Previous Meeting held on 6 July 2017 (item 5)</u></p> <p>The minutes of the meeting held on 6 July 2017 were approved as an accurate record.</p>	
967/17	<p><u>Matters Arising from Previous Meetings (item 6)</u></p> <p>The status of matters arising from previous meetings was noted and it was agreed to close the items identified as complete for the purposes of the report.</p>	
968/17	<p><u>Governance Best Practice – Directors' Duties (item 7)</u></p> <p>The Board noted the Schedule of Director's Duties which was provided on an annual basis to remind members of their responsibilities, liabilities and obligations. The refreshed format was agreed to more clearly set out the differently constituted organisations within the Group.</p> <ul style="list-style-type: none"> • In response to a query, CMM explained that the Director and Officer insurance cover for 'outside directors' was subject to consideration and agreement by the Governance and Remuneration Committee on a case by case basis. To clarify this point, it was agreed that "where relevant, appropriate and necessary" would be added to this advice. • On the basis that knowledge of relevant areas of law had not scored highly across the governance community in the skills audit for 2017, it was agreed that Chairs would promote the document with each of their groups through the governance lead. 	<p>AMO</p> <p>AMO</p>
969/17	<p><u>Retirements and elections at the Annual General Meeting ("AGM")</u></p>	

The Chair reported that at the TRGL AGM on 7 September, Shareholders approved the appointment of Jonathan Dale and Sally Trueman as TRGL Board Members for a further three-year term and noted the resignation of Philip Han.

970/17

Chief Executive's Round-up (item 6) - **CONFIDENTIAL**

The Board noted the Group Chief Executive's report and the following matters were highlighted in the subsequent discussion:

- In addition to the updates provided in the report, CMM provided a summary of relevant issues emerging from the recent Conferences of the Conservative and Labour Parties. The differences in perception of Housing Associations was highlighted. It was noted that the Conservatives acknowledged the value of HAs while noting that they cannot solve the many and complex housing issues in isolation. The dominant Labour view appeared to be that HAs had lost their social purpose and their distinction from private housing operators being now focused on gentrification rather than regeneration. CMM assured the Board that tenant engagement and consultation remained a priority for Riverside particularly in relation to regeneration activity.
- It was noted that the expected substantial number of organisations regraded from G1:V1 to G1:V2 by the Regulator had not as yet materialised which was perhaps to avoid exacerbating an already challenging operating environment following Moody's national and sector downgrades. The Chair stressed the importance of Riverside focusing on those areas of governance and viability which were within its control while acknowledging the external factors over which it had limited influence.

[REDACTED]

- The Board welcomed the news that following positive inspection outcomes for two registered services by the Care Quality Commission, all Riverside Registered Care Services were rated as 'good' with some having outstanding features.
- An update on 'Investing in Neighbourhoods' was noted and JRWW added that the proposal from ARC4/CLES had been very impressive demonstrating a strong track record and good quality data and a follow up meeting had only increased confidence in their ability to deliver.

971/17

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Min ref:	Agenda item	Action
	[REDACTED]	IG
	[REDACTED]	IG
	[REDACTED]	
	[REDACTED]	
972/17	<p><u>Statutory Compliance Update (item 21)</u></p> <p>An update on progress made against the delivery of the key objectives of the current Statutory Compliance Strategy was reviewed. The following matters were raised for discussion:</p> <ul style="list-style-type: none"> • It was noted that good progress had been made in delivering the Strategy however further work was required on a number of asbestos related actions. • The Board commented that the appendix showing the status of actions was clear and measurable and provided a good overview of progress with the appendix providing an overview of strategic themes, which would need to be translated into tangible deliverables for the NSC and RCSC to monitor. • It was noted that the report also provided the Board with a 'sense of direction' for the emerging Statutory Compliance Strategy due to be delivered by April 2018. It was observed that Riverside's compliance activity was extending in scope and penetration as the compliance regime matured. Following socialisation with NSC and RCSC, a final draft of the Strategy would be submitted for Group Board approval at its meeting in March 2018. <p>The Chair suggested that Directors should advise if Board Member involvement in the development of the Strategy would be of value.</p>	IG
97317	<p><u>Transformation Roadmap and Outline Business Case (item 11)</u></p> <p>The Board noted the report setting out progress to date in the Transformation Programme as Wave 1 comes to an end, and considered the proposed Transformation Roadmap and supporting Business Case covering all planned change activity in Riverside over the next three years. This included delivery of the Target Operating Model (TOM) and Corporate Plan objectives. A presentation was also provided</p>	

summarising the journey to date, the plan to complete the journey, the high level business case and next steps.

- It was noted that enhanced knowledge of how the business operated and where challenges and opportunities lay, built through the transformation journey, had informed a revised business case, the key features of which were:
 - TOM Waves 2 and 3
 - Strategic Purchasing
 - Premises Strategy
 - Strategic IT Investment
- The Board acknowledged the enhanced understanding of Group operations identified through the Transformation Programme to date including the challenges of system inefficiencies which would require investment to resolve in order to deliver optimal outcomes and the opportunities for savings to be made with further investment in strategic purchasing. However, it was felt that the financial analysis provided did not clearly identify actual spend against approved budget for the original business case, and there was some confusion around previously approved expenditure, overspend and new expenditure required for the future, expanded stages of Transformation.
- The Board reiterated its support for the Transformation Programme and shared the Executive appetite to exploit opportunities and resolve issues identified through the journey to date however it agreed that (i) any additional investment could only be approved 'in principle' to reflect the wider business planning process to be undertaken in which these costs would be considered; and (ii) there was a requirement for improved financial analysis to support the Board decision with respect to the revised business case and additional budget allocation, with full transparency of costs for Business as Usual compared to TOM costs, and budgeted compared to new spend.

Following discussion, the Board agreed that an explanatory note clarifying the financial information presented would be provided before December's Board meeting, at which point a further update on the Programme would be given.

LH

Subject to satisfactory clarification of the financial position as requested and the outcome of the Business Planning process, the Board approved in principle;

- the spend to complete the TOM organisational re-design of £19.5m;
- the proposed approach to conclude TOM as soon as possible;
- the outline plan to deliver the Premises Strategy and the revised Business Case;
- the overall approach, rationale and outline financials for the full 3 -year Strategic IT Roadmap for the period to March 2020 inclusive; and
- the investment of £7m required for the remainder of 2017/18 which includes completion of the IT enabling projects previously approved and the remaining investment required for the next six months, October 2017 to March 2018. To then proceed with the strategic IT roadmap up to and including March 2017 with a review in April 2018 (at which point proposals for the next tranche of IT will be submitted for approval).

It was noted that proposed future tranches of IT investment would be presented to Board in April 2018.

Min ref:	Agenda item	Action
974/17	<p>LH and JD agreed to discuss a number of further queries offline.</p> <p><u>IT Strategy 2016-2020: Annual Update (item 12)</u></p> <p>A report setting out progress made since the previous update on the Information Technology (IT) Strategy submitted to the Group Board in May 2017 was noted. The following matters were highlighted for discussion:</p> <ul style="list-style-type: none"> • The Board queried what internal challenges AS had experienced in implementing her new approach to address under-investment in IT and build sustainable, scalable and resilient platforms for the future. AS advised that a key challenge had been that she had inherited three substantial projects which could not be delivered by the existing resources at that time and therefore required a new plan for delivery. • It was noted that staff had previously failed to utilise the full capacity of available systems and a question was raised on how this would be addressed when new systems were in place. AS advised that a mature business readiness plan for Open Housing was in place which included user testing, a robust communication plan and substantial staff training and engagement. • The Board again expressed its appreciation of the progress made in transforming IT at Riverside and its support for the work planned. However it agreed that again the cost element of delivering the Strategy could be more clearly communicated and noted that this would be addressed by the actions agreed in the previous item. • On this basis, subject to satisfactory clarification of the financial position as requested and the outcome of the Business Planning process, the Board approved in principle the 3 year Strategic IT Roadmap for 2017/18 to 2019/20, and approved the costs and mobilisation of all Year 1 projects. • It was agreed that actions would be explored to provide greater visibility of progress to the Board taking into account the pace of change. 	<p>LH/JD</p> <p>LH</p>
975/17	<p><u>Business Plan Summary Update (item 13)</u></p> <p>Jayne Mitty and Emma Turner joined the meeting.</p> <p>The Board considered a strategy proposal for developing the Business Plan, informed by the outcome of discussions around risk specifically sales performance and the corporate plan at its Strategy Day in September.</p> <p>Having noted that alternative strategies to finance the Corporate Plan would be submitted to the Board meeting in December, and these would be based on variants of the Six Point Plan, the proposed strategy was approved.</p>	
976/17	<p><u>Raising of new Revolving Credit Facilities (item 14)</u></p> <p>The Board considered a report setting out progress made in securing new Revolving Credit Facilities for £200m to cover the immediate term, in line with the approved Group Treasury Strategy.</p> <p>Following discussion, and on the basis that the proposals supported the agreed Treasury Strategy, the Board:</p>	

Min ref:	Agenda item	Action
	<ul style="list-style-type: none"> • Approved in Principle entering into new Revolving Credit Facilities totalling £200m, with lenders as yet to be agreed; and • Approved the resolution in the form attached to these minutes, with the addition of BNP Paribas, in anticipation of a potential offer, which delegates authority to the Group Treasury Committee to finalise the details of the facilities, including final choice of counterparties and approving the execution of all necessary documentation required. <p>It was further agreed that an update report would be provided to the Board meeting in December.</p>	RF
977/17	<p><u>Riverside Pension Scheme Initial Actuarial Valuation Results (item 15)</u></p> <p>Susan Jee left the room.</p> <p>A request from the Trustees of the Riverside Group Pensions Scheme to adjust the contribution schedule in light of the recent triennial valuation was considered.</p> <p>[REDACTED]</p> <ul style="list-style-type: none"> • CMM advised that employer discussions had focused on how to best facilitate the scheme reaching self-sufficiency and reducing Group risk. On the basis that it would support better cash generation by the Scheme and mitigate the risk of future issues should Riverside's current 'cash rich' position change, the Executive Directors ("EDs") were proposing that: <ul style="list-style-type: none"> ○ Three years contributions would be paid up front in April 2018 ○ The Trustees would be asked to: <ul style="list-style-type: none"> ○ Put in place cash generating investments; ○ Review the cash buffer in light of transfer experience; ○ Continue to talk to the employer about large value transfer requests. • Following discussion, the Board concurred that this would be a prudent approach and that it shared the aspiration for Scheme self-sufficiency. It therefore agreed in principle to the EDs proposals, which the Chair would communicate to the Trustees. It was confirmed that the proposed actions were subject to the outcomes of the Business Planning process and would only be implemented should they prove affordable. In the event that this was not the case a further report would be brought back to the Board. An update on the response of the Trustees to the in principle proposals would be provided in December as would the report on the completed actuarial valuation response. 	Chair CMM
978/17	<p>[REDACTED] <u>Hull Extra Care PFI building contract (item 16)</u> CONFIDENTIAL</p> <p>[REDACTED]</p>	

Min ref:	Agenda item	Action
	<ul style="list-style-type: none"> • JG reported that the three completed schemes were of the highest quality and customer feedback had been excellent. It was noted that the Board would have an opportunity to tour the facilities at its next Board meeting in December which would take place at one of the schemes. • It was noted that the status had not changed from that described in the report and that negotiations could run for some time. The Board was assured that a pragmatic approach would continue to be applied and an update provided at its meeting in December. PD added that the situation was being closely monitored by the Board of Riverside Estuary at which there had been a number of detailed discussions on the matter. 	JRWW
979/17	<p><u>Temperature Check Staff Survey (item 17)</u></p> <p>A summary of the overall findings from the latest staff temperature check carried out in July 2017, actions taken to date and proposed next steps were noted. The following matters were discussed:</p> <ul style="list-style-type: none"> • The Board noted the headline message that despite a period of substantial change, response rates and overall satisfaction had remained largely static. While several areas had seen an increase in average satisfaction score, Irvine and the Programme Management Office (“PMO”) had experienced a decrease which resonated with the timing of changes under the Transformation Programme. • The Chair identified the maintenance of overall staff satisfaction as a credit to those leading and managing the Transformation Programme. • Having noted that Riverside scored low when benchmarked against other organisations, the Board questioned at which point once the TOM was in place, would the approach to staff engagement change should satisfaction scores remain comparably low. LH responded that this was not yet known, and would be dependent on the changes affected by the Transformation Programme and the discussions around cultural change underway. 	
980/17	<p><u>Integrated Strategic Performance Management Report (item 18)</u></p> <p>The Integrated Strategic Report for Period 5 (August) was reviewed and the following matters raised for discussion:</p> <ul style="list-style-type: none"> • It was noted that the Group was in a fairly healthy position and performing well against each of the key Corporate Plan themes and budget. Performance in Care and Support and Neighbourhood services was noted as being particularly strong. • The Board expressed its concern with the continuing dominance of adverse Prospect sales performance on commercial operating performance. CMM reported that Prospect was in the process of recalibrating its sales pipeline to mitigate risk and improve performance. • Assurance was provided that Neighbourhood Services and Asset Services were closely collaborating to improve the adverse position of actual responsive repair costs against budget. 	

Min ref:	Agenda item	Action
981/17	<p><u>Annual Health, Safety and Environmental report (item 19)</u></p> <p>The Board noted an update on Health and Safety activity and performance across the Group for the 2016/17 financial year. The following matters were highlighted for discussion:</p> <ul style="list-style-type: none"> • The accreditations achieved were accepted as further sources of assurance around Riverside’s Health and Safety performance. Although opportunities for improvement including addressing the cultural issues leading to under-reporting of incidents, were noted, it was agreed that the report demonstrated a strong foundation on which to further develop health and safety arrangements. • The links between Health and Safety performance and Gas compliance performance were noted. 	
982/17	<p><u>Quarterly Treasury Report (item 20)</u></p> <p>The Quarterly Treasury Report for the period April to June 2017, previously provided to the Group Treasury Committee, was noted.</p> <ul style="list-style-type: none"> • The headline message from the report was noted namely that TRGL continued to meet all loan covenant requirements with plenty of headroom in most facilities against interest cover and gearing. • SJ reported that the Group Treasury Committee was pleased with the excellent progress made by the Treasury Team in delivering what was an ambitious plan. 	
983/17	<p><u>Risk Map Update (item 22)</u></p> <p>A streamlined and refreshed Risk Map designed to be more responsive to new and emerging risk was noted.</p> <ul style="list-style-type: none"> • The Board welcomed the strengthening focus on risk across the Group including work underway to enhance reporting flows. TC advised that he had encouraging discussions with Stuart Gambling (“SG”), Director of Internal Audit and Risk, around further refinements to the risk map format to more clearly allocate ownership of risk at an inherent and residual level. He also shared the view of the Group Audit Committee, expressed at its last meeting that the residual risk scores for health and safety, information security and Open Housing were higher than desirable and noted that these were all subject to ongoing improvement activities. Confidence was taken from the inclusion of the risk map at each meeting of the Executive Directors as well as the oversight provided by the Group Audit Committee. • It was acknowledged that risk oversight at Neighbourhood Services Committee could be enhanced and CMM advised that SG would meet with PW, the Committee Chair to identify improvements. 	SG/PW
984/17	<p><u>Committee and Subsidiary Reports</u></p> <p>Governance and Remuneration Committee (“GRC”) 06/07/17 (item 23)</p> <p>The Board noted an update on GRC activity in the reporting period. At its meeting in July 2017, the Committee had agreed that appendices to the Governance Framework Document should be updated to reflect changes in Riverside’s governance structure. On recommendation of the GRC, the Board approved proposed amendments to the:</p>	

- Tenant Board member and observer selection; and
- Criteria for recognition for funding of Tenants' and Residents' Groups

The Board noted updates on activity in the reporting period from the following groups. No matters were raised for discussion.

- Group Audit Committee 21/09/17
- Riverside Care and Support Committee – 27/07/17
- Neighbourhood Services Committee – 28/09/17
- The Board of Evolve Facilities Services Ltd – 07/07/17 and 19/09/17
- The Board of Prospect (GB) Ltd – 26/07/17, 23/08/17 and 27/09/17
- Irvine HA 20/06/17
- Scotland Committee 09/08/17
- Riverside Finance Plc 06/07/17
- Riverside Estuary 12/07/17 and 06/09/17

985/17

Date of next meeting

It was agreed that the next meeting would be held at a Hull Extra Care Scheme to be confirmed on 7 December 2017 and that there would be a Group Board dinner on the evening of 6 December 2017.

The Chair noted that there would be opportunity for members to visit other of the Hull Extra Care Schemes following the Board meeting in December and that availability would be checked for times, etc.

There being no other business the Chair closed the meeting at 6.30pm.

Agenda Item 14 – Formal Minute

Registered Number: 30938R

THE RIVERSIDE GROUP LIMITED

(the **Association**)

Extract from the Minutes of a meeting of the Board of Management (the **Board**) of the Association

held at Aloft, North John Street, Liverpool, L2 5QW

on 4 October 2017 at 3.00 pm

Present:

- Max Steinberg - chair
- Pauline Davis - vice-chair
- Susan Jee - treasurer
- Tim Croston - board member
- Jonathan Dale - board member
- Peter White - co-opted board member
- Carol Matthews (CMM) - co-opted board member

In Attendance:

- Janice Murray - tenant observer
- Ingrid Fife – observer
- John Glenton (JG) - Executive Director of Care and Support Services
- Ian Gregg (IG) - Executive Director of Asset Services
- Léann Hearne (LH) - Executive Director of Shared Services and Business Transformation
- John Wood (JRWW) – Executive Director of Neighbourhood Services
- Emma Turner (ET) – Head of Treasury for items 14 and 20
- Jayne Mitty (JM) – Senior Business Partner for item 13
- Anne-Marie Owens - Governance Manager (Secretary)

Apologies:

- Rosemary Farrar (RF) - Interim Chief Financial Officer
 - Sally Trueman - board member
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Agenda Item 14 – Formal Minute

1 Quorum

The Chairman reported that each Board member had been given proper notice of the meeting and of the matters to be discussed and noted that a quorum was present, each in accordance with the constitutional rules of the Association (the Rules). Accordingly the Chairman declared the meeting open.

2 Declaration of Interests

2.1 Each member of the Board of the Association present confirmed that they had no direct or indirect interest in any way in the proposed transactions and other arrangements to be considered at the meeting which they were required to disclose.

2.2 The Chairman noted that all Board members present were entitled to vote and be counted in the quorum for the meeting

3 Background and business of the meeting

3.1 It is proposed that the Association will shortly enter into new funding arrangements to raise up to £200m additional indebtedness by way of up to four new loan facilities.

3.2 The exact counterparties and details of the facilities are still to be agreed, but offers have been received from:

- BNP Paribas [REDACTED]
- HSBC Bank plc [REDACTED]
- Royal Bank of Canada [REDACTED]
- Lloyds Bank plc [REDACTED]
- Barclays Bank plc [REDACTED] and
- Handelsbanken [REDACTED]

each a Potential Funder and together the Potential Funders.

3.3 It was noted that further to the power to delegate as set out below, authority to negotiate with each Potential Funder and ultimately choose to take forward the new financing arrangements with a Potential Funder (or a combination of them) be delegated to the Treasury Committee, subject to the following limits:

- the total new facilities entered into must not exceed £200m in total; and
- not more than 4 new loan facility agreements can be entered into.

3.4 Should the Treasury Committee wish to take forward offers outside of the parameters above then further permission will need to be sought from the Group Board or the Chair acting under Chair's Powers.

3.5 It is further noted that each new facility would likely require a facility agreement, with interested parties to each agreement including an arranger, a lender, a facility agent

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and where applicable, the Prudential Trustee Company Limited as security trustee. Each such agreement would be a Facility Agreement and together the Facility Agreements. Each of the Potential Funders listed above (or their affiliates) could comprise a Lender and together hereafter known as the Lenders.

4 Power to delegate

- 4.1 The Chair drew the attention of the meeting to the Rules which provide, inter alia, that the Board may delegate any of its powers to a committee pursuant to Rules B6 and Rules D34 to D39 and IT WAS RESOLVED that the powers of the Board be delegated in the manner set out in paragraph 7 below to the Treasury Committee of the Association

5 Transaction Documentation

- 5.1 The Association will be required to enter into the following documents:
- 5.1.1 the Facility Agreements and all other documents required by the terms of the Facility Agreements including the related security;
 - 5.1.2 fee letters (the Fee Letters) to be made between the Association and each of the Lenders;
 - 5.1.3 the form of fixed charge (the Fixed Charge) to be entered into by the Association (1) and the Security Trustee or Lender (as required by each Facility Agreement) (2) being the form annexed to the Security Trust Deed pursuant to which the Association agrees to charge certain assets to the Security Trustee to secure the obligations of the Association to the Lenders (where the Security Trust is being utilised and the Fixed Charge is not directly with the Lender); and
 - 5.1.4 an officer's certificate (the Officer's Certificate) to be given by an authorised signatory of the Association containing various certifications required pursuant to the Facility Agreements,

together the Documents.

6 Discussion

Following a full discussion, the Board formed the opinion that:

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- 6.1 this is a matter that is capable of delegation to the Treasury Committee;
- 6.2 entry into the Facility Agreements and related documents is consistent with the Association's approved borrowing strategy and treasury management policy;
- 6.3 any borrowing limits of the Association will not be exceeded by borrowing the full amount under the Facility Agreements;
- 6.4 the Association has the power to execute, deliver and perform its obligations under the Documents;
- 6.5 the Documents should be entered into (following completion of the negotiation of the terms of the Documents) subject to the approval of the Treasury Committee; and
- 6.6 that the Association had received (and continues to receive) appropriate external advice (currently from Centrus Advisors LLP) in order to make an assessment of the proposed transaction.

7 Resolutions

The meeting discussed and approved the terms of reference of the Treasury Committee and IT WAS RESOLVED that the Association's entry into the Documents is agreed and the Association's powers to negotiate and agree the terms of the Documents be fully delegated to the Treasury Committee and that the Treasury Committee shall have power on behalf of the Board to (and may nominate any member(s) of the Treasury Committee or officers of the Association to):

- 7.1 negotiate and agree the final terms of the Documents and consider and approve the Documents, any related security and all other deeds, letters, certificates, documents and notices relating to the Documents (such approval to be conclusively evidenced by the execution of the relevant documents in accordance with the relevant resolution of the Committee);
- 7.2 delegate to any officer or officers the authority to negotiate, agree and execute the terms of **the** Documents **and** to negotiate and agree the terms of any related letters, certificates or documents and to perform all matters, acts and things which such

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- persons in their absolute discretion deem to be necessary or desirable in connection or in relation to the Documents;
- 7.3 take and consider legal and/or financial and/or valuation and/or other advice in connection with the Documents;
- 7.4 authorise the execution of the Documents and any related letters and documents, to be executed under hand and which do not require the Association’s common seal to be affixed;
- 7.5 authorise and agree the payment of any necessary fees pursuant to the Facility Agreements, including the Fee Letters;
- 7.6 authorise the execution and delivery of such of the Documents requiring execution as a deed including, if so required, by witnessing affixing of the Association’s common seal on the Documents and any other documentation or letters, deeds, documents and certificates relating to the Documents to the extent the same are required to be executed under common seal; and
- 7.7 agree and execute any related notices, letters or documentation and to perform all matters, acts and things which such persons in their absolute discretion deem to be necessary or desirable in connection or in relation to the Documents.

I certify that this is a true, complete and up to date extract of the Minutes of a duly convened and quorate Meeting of the Board of Management of the Association and that the resolutions set out above have not been rescinded or varied in any manner.

Signed

Authorised Signatory:

Date: