

Changes to The Riverside Group Ltd (TRGL) Rules affecting Riverside's shareholding policy

A key element of The Riverside Group Ltd (TRGL)/One Housing Group Ltd (OHG) merger plan was the adoption by OHG of revised Rules confirming its status as a subsidiary of TRGL. The Rules of OHG are based on the most recent NHF Model Rules (2015) and the requirement to update TRGL's Rules (based on the NHF Model Rules 2011) was identified as a post Day-1 governance priority.

The Director of Governance and General Counsel engaged with external advisers to set out those areas in which the current Rules were difficult to interpret and comply with and where the provisions required the significant input of resource from the governance team to ensure compliance without tangible benefits to Riverside's governance. These were primarily:

- The complex and prescriptive provisions for the management of the Shareholding Membership;
- The requirement to hold an AGM annually;
- The lack of clarity around the Board's power to appoint its own members;
- The requirement for Board Members to be elected by Shareholders for terms of office running from one AGM to another AGM;
- Limitations of Riverside's ability to remove Shareholding Membership; and
- The requirement for Written Resolutions to be passed by 75% of members (problematic where Committees have three members only).

Following approval of these changes at a Special General Meeting of the shareholders of TRGL and registration of revised Rules by the Financial Conduct Authority (FCA) on 16 September 2022, Riverside's Shareholding Policy is set out below.

Riverside's Shareholding Policy

The role of shareholders

The role of the shareholders is to act as the guardian of the social purpose of Riverside, upholding and developing the values of the Group having regard to the long-term future. It is the role of the shareholding membership to assist Riverside to achieve its objectives and provide constitutional stability.

A shareholding member of a housing association which is a registered society under the Co-operative and Community Benefit Societies Act 2014 has the benefit of limited liability (being £1 per share).

Entitlement to shareholding membership of The Riverside Group Limited (TRGL)

The shareholders of TRGL are:

- All board members of TRGL (other than employees of any group organisation);
- One nominee from any housing association subsidiary which does not have a shareholder as a result of any of the routes to shareholding listed above.

The subsidiary board will nominate its shareholder, however it will take into account TRGL's preference that this is the subsidiary Board Chair.

The names of those who are proposed to become shareholders of TRGL are submitted to the Group's Governance & Remuneration Committee for approval.