

MEETING OF HOME BUILDING FINANCE IRELAND (THE “COMPANY”)

**MINUTES OF A MEETING OF THE
BOARD OF DIRECTORS OF THE
COMPANY (The “Board”)**

**DULY CONVENED, CONSTITUTED AND HELD AT on
Wednesday 13th October 2021 at 12.30pm per videoconference due to Covid-19 restrictions.**

PRESENT Marie Collins (Chairperson)
Dara Deering (CEO)
Andrew O’Flanagan
Claire Solon
Ken Slattery
Grainne Hennessy

APOLOGIES Des Carville.

IN ATTENDANCE Denise Donovan, Head of Operations and Finance, HBFI (items 1-7 only)
Kay Galvin, Head of Operations, Fexco Asset Finance (item 7 only)
Fiona Lynch, Head of Risk and Compliance, Fexco Asset Finance (item 7 only)
Mike O’Halloran, CEO, Fexco Asset Finance (item 7 only)
Michael Broderick, Chief Commercial Officer, HBFI. (items 1-10)
Sean Alger, Head of Credit and Risk, HBFI. (items 1-12)
Fergus Mangan, Divisional Manager Lending, HBFI (items 1-10)

Caroline Ensor, Company Secretary

1. NOTICE AND QUORUM

It was noted that notice of the meeting and of the nature of the business to be conducted had been given to all directors entitled to attend the meeting and that a quorum, being four directors, was present in accordance with the Company’s Articles of Association (the “**Articles**”). It was further noted that all the directors present were, pursuant to the Articles, entitled to vote and be counted in the quorum. The meeting then proceeded to business.

2. LIMITATIONS TO THE NUMBER OF DIRECTORSHIPS AND RESIDENCY REQUIREMENTS UNDER THE COMPANIES ACT 2014

It was noted that pursuant to Section 137 of the Companies Act 2014 (as amended) (the “**Act**”), at least one of the directors of the Company is resident in a Member State of the European Economic Area and that no director present individually held more than twenty-five directorships for the purposes of Section 142 of the Act and was therefore eligible to vote on all board resolutions brought before the meeting.

3. DISQUALIFICATION AND RESTRICTION ORDERS AND UNDERTAKINGS

Those directors present each declared that they were not the subject of any declaration, order or deemed order for disqualification or restriction under the Act including Part 14, Chapters 3 and 4 and had not received any notice under that Part of the Act including any notice concerning a disqualification or restriction undertaking under Part 14, Chapter 5.

4. DECLARATIONS OF INTEREST

In accordance with section 231 of the Companies Act 2014, and the Constitution of the Company, and, for the purposes of Section 5.8 (ii) of the Code of Practice for the Governance of State Bodies 2016, there were no material interests declared by the directors present at the meeting in the business to be transacted at the meeting which would preclude them from participating in the meeting and forming part of the necessary quorum.

THIS ITEM HAS BEEN REDACTED IN PART

5. MEETING MINUTES AND MATTERS ARISING

It was resolved that the minutes of the Board meeting held on 8th September 2021 were approved as presented.

6. CONFIRMATION IN RELATION TO RESERVED MATTERS

The Company Secretary confirmed to the Board that the Executive Management Team of HBFI (“**the EMT**”) is satisfied that all reserved matters which require consideration by the Board have been brought to the Board’s attention.

7. FEXCO

THIS ITEM HAS BEEN REDACTED IN FULL

8. CEO UPDATE

The CEO updated the Board on 2 matters as follows:

- i. In relation to the Strategy Review as discussed at the last Board meeting in September, the market analysis and stakeholder engagement is ongoing and the next check in point will be presented to the Board in November.
- ii. In relation to the cost of funding review being carried out by the Department of Finance, said review is now complete and is in draft form. This will be brought back to the Board when finalised.

In response to a question from the Board the CEO noted that there were no measures in the budget of particular relevance to HBFI and that housing had been covered in the prior Housing for All plan. A broad discussion followed in relation to measures on housing supply.

The CEO Update was NOTED by the Board.

9. BUSINESS UPDATE

THIS ITEM HAS BEEN REDACTED IN PART

The Business Update was NOTED by the Board.

THIS ITEM HAS BEEN REDACTED IN PART

10. PRS SCHEMES

Fergus Mangan, Divisional Manager Lending, (“DML”) presented this update which the CEO reminded the Board was prepared at the request of the Board. **THIS ITEM HAS BEEN REDACTED IN PART**

The update on PRS Schemes was NOTED by the Board.

THIS ITEM HAS BEEN REDACTED IN PART

11. RISK

(i) Risk Management Report

Sean Alger, Head of Credit and Risk (“HoCR”) presented the Risk Report which included a summary of the Risk Register. He advised that there was relatively little change since last reviewed by the Board, and that it is expected that as Covid-19 restrictions ease **THIS ITEM HAS BEEN REDACTED IN PART**

The HoCR proceeded to present the following reports:

11 (ii) **Risk Appetite KPI Report** which he advised to be largely unchanged since last presented to the Board.

11. (iii) **Credit Decisions Report**

THIS ITEM HAS BEEN REDACTED IN FULL

11 (iii) **Account Review Schedule.**

THIS ITEM HAS BEEN REDACTED IN FULL

The Risk Reports were NOTED by the Board.

12. DELEGATED AUTHORITY POLICY

The HoCR presented this request. He advised that the annual review of the Delegated Authority Policy now falls due. A review of the current authority levels is currently in progress and to allow this to be completed he sought the deferral of the review of the policy until the next Board meeting in November.

It was RESOLVED to APPROVE the deferral of the review of the Delegated Authority Policy until November 2021.

The HoCR left the meeting.

13. UPDATE FROM ARC MEETING OF THE 6th OCTOBER 2021

Ken Slattery, Chairperson of the ARC provided the Board with a verbal update from the ARC meeting held on the 06.10.21. He confirmed to the Board that the following items were covered at that meeting:

- Annual Presentation from the Head of Legal.
Paula Flinter, Head of Legal in HBFI presented the Annual Presentation from the HBFI Legal Team. She outlined the new Legal Operating Model being adopted which the ARC Committee agreed with.
- Risk
Joe Colgan, Senior Audit and Risk Manager presented the Risk Report, with the Risk Register. **THIS ITEM HAS BEEN REDACTED IN PART** The HoCR presented the Risk Appetite KPIs, Credit Decision Report and Account Review Schedule.
- Internal Audit
Barbara Sinnott, Interim Head of Internal Audit, NTMA presented a status update regarding the Internal Audit review of the HBFI 'Financial Management Processes, including funding and oversight' and an update on the action point arising from the 'Corporate Governance Process' Review. She was joined by KPMG.
- Compliance and Data Protection (including AML) briefing by NTMA Compliance.
Deirbhile Brennan, Head of Compliance, NTMA and Sinead Flanagan, MLRO presented a Compliance and Data Protection Briefing to the Committee.
- Standing Items.
The HoCR advised there was nothing further to report, in addition to what was already covered in the meeting, under the list of Standing Items (fraud protected disclosures, health and safety, reputational risk, exceptions to procurement policy, operation events.)

The Chairman of the ARC confirmed that no matters were raised under AOB.

He advised that a written report of his verbal update had been uploaded to the general Board Reading Room on BoardPad.

The Board NOTED the verbal update from the Chairperson of the ARC from the meeting of the 06.10.21

14. TERMS OF REFERENCE – BOARD OF HBFI

The Company Secretary presented the annual review of the Terms of Reference for the Board of HBFI. She confirmed that having reviewed same, no changes are proposed. She advised that the Terms of Reference for the Board is a matter reserved for the Board of HBFI.

It was RESOLVED to APPROVE the annual review of the Terms of Reference for the Board of HBFI.

15. TERMS OF REFERENCE – BOARD OF HBFIL

The Company Secretary presented the annual review of the Terms of Reference for the Board of HBFIL. She confirmed that having reviewed same, no changes are proposed. She advised that the Terms of Reference for the HBFIL Board is a matter reserved for the Board of HBFI, but that this review would be presented for Noting to the Board of HBFIL at its next meeting.

It was RESOLVED to APPROVE the annual review of the Terms of Reference for the Board of HBFIL.

16. BOARD PLAN 2022

The Chairperson presented the Board Plan, with proposed dates, for 2022. She outlined the proposed alternating between virtual Zoom meetings and physical meetings to be held in Treasury Dock.

The Board Plan for 2022, which was presented on the basis of a live working document, to be updated as required, was NOTED by the Board.

A Board member asked that change to an earlier time be considered for the virtual meetings and the Company Secretary advised she would look at that.

17. AOB

Three items were raised under AOB:

- The Company Secretary advised that the Letter of Shareholder Expectation, signed by the Minister for Finance and dated 21st September 2021, which referred to the adaptations to the Code of Practice for the Governance of State Bodies, as approved by the Board, had been uploaded to the general reading room on BoardPad.
- The Company Secretary advised, and the Board NOTED, that the self-evaluation of the HBFIL Credit Committee had been carried out and the results and responses were with the Chairperson of that Committee for review. The results and any outcomes will be presented to the HBFIL Credit Committee at its next meeting.

- The Company Secretary left the meeting. Grainne Hennessy, Chairperson of the HBFI Remuneration Committee updated the Board on a meeting of that Committee held earlier in the day.

CLOSE

There being no further business the meeting was closed.

Chairperson