

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

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

**DULY CONVENED, CONSTITUTED AND HELD
AT 2PM ON THURSDAY 15 DECEMBER 2022
AT TREASURY DOCK, NORTH WALL QUAY, DUBLIN 1**

PRESENT Marie Collins (Chairperson)
Dara Deering (CEO)
Des Carville (DC)
Ken Slattery
Grainne Hennessy
Andrew O’Flanagan

APOLOGIES Claire Solon

IN ATTENDANCE Fergus Mangan, Head of Lending, HBFi (FM) (Item 8)
Denise Donovan, Head of Operations & Finance (HoOF) (Items 11 and 12)
Sean Alger, Head of Credit & Risk (HoCR) (Item 13,14 and 15)
Deirbhile Brennan, NTMA Head of Compliance (HoC) and Sinead Flanagan,
NTMA Senior Compliance Manager (SCM) (Item 16)
Paula Flinter, HBFi Head of Legal (HOL)
Cecilia Fourie, Company Secretary (CS)

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.

5. CONFIRMATION IN RELATION TO RESERVED MATTERS

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

6. MEETING MINUTES AND MATTERS ARISING

The Board NOTED that draft minutes of the meeting of the Board held on the 17 November 2022 had been circulated to the Board members in advance of the meeting and it WAS RESOLVED that the minutes of the meeting be APPROVED as presented.

7. CEO UPDATE

The CEO presented a summary of the key points in the CEO update paper and highlighted the following:

- **THIS ITEM HAS BEEN REDACTED IN PART**
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- An overview of the proposed agenda for the Strategy Day;
- The Section 24 2-year review of the Company has commenced, and a submission on behalf of the Company was made to the Department and public consultation process is due to start at weeks end;
- Business performance to date and stakeholder engagement.

The CEO’s Update was NOTED by the Board.

8. BUSINESS UPDATE

FM joined the meeting and presented a summary of the key points in the business update paper with a market overview highlighting the changes in broader lending appetite in the market.

FM provided commentary on the pipeline noting the calibre of enquiries and potential customers. Following a query from a Board Member on feedback from developers on equity shortages, FM explained that the many developers remain undercapitalised.

FM business update was NOTED by the Board.
FM left the meeting.

9. ANNUAL PRESENTATION – HBFI LEGAL

The HOL presented a summary of the key points in the annual presentation and highlighted a number of “firsts” completed by the Legal Team and the Company. The HOL provided an overview of the new legal operating model and changes to procedures to ensure that legal resources are efficient, targeted and that there was a clear allocation of risk. The HOL provided an update on the public procurement of the legal framework agreements and gave an overview of the engagement with the firms on the legal panels. The HOL referred to the presentation to the Audit & Risk Committee on legal risk in October.

The HOL’s annual presentation was NOTED by the Board.

10. THIS ITEM HAS BEEN REDACTED IN FULL.

11. HBFI FINANCIAL PERFORMANCE

The HoOF joined the meeting to present a financial update paper and provided an overview of the key matters confirming that there were no material variances to bring to the attention of the Board.

The HoOF’s financial update was NOTED by the Board.

12. Annual Budget

The HoOF presented the annual budget for 2023 to the Board noting that the budget reflects the current and anticipated market conditions. The HoOF provided an overview of the key assumptions set out in the budget noting the impact of repayments given the maturity of the loan book. The HoOF provided a detailed breakdown of the net interest income, **THIS ITEM HAS BEEN REDACTED IN PART.**

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Following a query from a Board Member on the increased fee for a service provider, the HoOF explained that the increase was due to an increase in active accounts in accordance with the service level agreement and a small inflationary element. Following a further query from a Board Member on the cost of marketing, the HoOF explained that the figure encompassed a number of marketing activities including conferences, HBFi hosted events, social media and local publications.

Following further discussion and careful consideration the Board RESOVLED TO APPROVE the annual budget as presented.

The HoOF left the meeting.

13. RISK

The HoCR joined the meeting and the HoCR presented the key points in the following reports:

- I. Risk Report
- II. Portfolio Report
- III. Credit decisions report
- IV. Risk Appetite KPI report

V. Account review schedule

The HoCR confirmed that there were no emerging risks to be brought to the Boards attention and added that the progress of sale agreed units to contracts are being monitored for any evidence of a softening in the sales market. **THIS ITEM HAS BEEN REDACTED IN PART.**

The Reports at 13 (i) to (v) inclusive were NOTED by the Board.

14. THIS ITEM HAS BEEN REDACTED IN FULL.

15. REPORT ON NTMA POLICIES THAT APPLY TO HBFI

The HoCR presented the annual review of NTMA policies which apply to HBFI noting that three new policies were added to the list, since last reviewed by the Board. Following a query from a Board Member on the hybrid working policy, the CEO advised that staff are typically in the office for at least two days with some attending three or more days a week as required by their role.

The Board AGREED to APPROVE the adoption of the listed NTMA policies as applicable to HBFI.

The HoCR left the meeting.

16. MLRO REPORT

The HoC and SCM joined the meeting. The SCM confirmed that the MRLO Report was presented to the Audit and Risk Committee followed by a robust discussion and noted that there were no material matters to bring to the attention of the Board. Following a query from a Board Member, the SCM explained the access to the Registrar of Beneficial Ownership ("RBO") was temporarily disabled due to a ruling on data privacy and access would be restored once the RBO confirms the application for designated persons.

The MLRO Report was NOTED by the Board.

The HoC and SCM left the meeting.

17. HBFI AND HBFI(L) GOVERNANCE FILE

The CS presented the annual review of the HBFI and HBFI(L) Governance File highlighting the key changes and confirmed that the file was reviewed in conjunction with NTMA Compliance. The CS confirmed that all appendices were available in the Resource Centre in Diligent and confirmed a copy of the approved Governance File would be added.

After further discussion and careful consideration IT WAS RESOLVED TO APPROVE the Governance File subject to the incorporation of the agreed amendments.

18. SKILLS SURVERY

The CS presented the results of the skill survey completed by all Board Members. The Chairperson provided commentary on the results and advised that the results would be incorporated in discussions where vacancies on the Board arise.

The Board discussed the result and agreed that there did not appear to be any material skill gaps identified. The skill survey results were NOTED by the Board.

19. ANNUAL REPORT AND UPDATE FROM THE ARC

The Chair of the Audit & Risk Committee presented the annual report from the Audit & Risk Committee to the Board, for the year 2021 noting it is a requirement under the Code of Practice for the Governance of State Bodies, (the “Code”).

The Chair of the Audit & Risk Committee provided a verbal update on the items which were discussed at the meeting of the Audit & Risk Committee earlier that day which were NOTED by the Board.

20. AOB

a.

External Board Evaluation

The CS provided an update to the Board on the external board evaluation and outlined the next steps in the process.

The Board NOTED the update.

b. **Re-Appointment of Committee Members and Chairs of ARC and RemCo**

The CS presented a report on the appointment terms of the member of the Audit & Risk Committee and Remuneration Committee as outline in the respective terms of reference. The CS advised the Board of the upcoming end of terms of certain members.

After further discussion and careful consideration, the Board APPROVED the re-appointment of the member of each committee as outlined in the report for a further fixed term in accordance with the terms of reference. IT WAS FURTHER APPROVED that the Chairs of each committee be re-appointed for a further fixed term.

c. **HBFI Protected Disclosures Policy**

The Board NOTED the memo advising the effective date of the policy and the CS confirmed a copy was available in the resource centre in Diligent. A Board Member requested refresher training be provided to the Board at a future meeting.

21. PRIVATE MEETING WITHOUT MANAGEMENT

The CEO, executive team and CS left the meeting and the non-executive members proceeded with a private session.

CLOSE

There being no further business the meeting was closed.

Chairperson