

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 3.30pm on
Thursday 16th December 2021 per videoconference due to Covid-19 restrictions.**

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

APOLOGIES Ken Slattery

IN ATTENDANCE Michael Broderick, Chief Commercial Officer, HBFI (item 8)
Denise Donovan, Head of Operations and Finance, HBFI (item 9)
Paula Flinter, Head of Legal, HBFI (items 10 and 11)
Sean Alger, Head of Credit and Risk, HBFI (items 12, 13 and 14)
Deirbhile Brennan, Head of Compliance NTMA (item 15)
Sinead Flanagan, MLRO (item 15)
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.

5. MEETING MINUTES AND MATTERS ARISING

It was resolved that the minutes of the Board meeting held on 11th November 2021 were approved, subject to two agreed amendments.

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. CEO UPDATE

The CEO provided the following updates:

- i. **THIS ITEM HAS BEEN REDACTED IN PART**
- ii. The agenda for the HBFI Strategy Day on the 13th January 2022 has been finalised.

The Board NOTED the CEO Update.

8. BUSINESS UPDATE

Michael Broderick, Chief Commercial Office (“**CCO**”) joined the meeting and presented the Business Update for Noting. His pre circulated paper was taken as read and he brought the Board’s attention to the number of approved and active facilities which continues to increase. During discussion a Board member raised a query in relation to facilities that were approved but not yet drawn. The CCO advised that work is ongoing to progress these and see what else can HBFI do to get facilities closed quicker.

A Board member suggested that an average line be included in relation to the graph on page 9, which shows EOI numbers per week, going forward and the CCO confirmed he would do this.

The Business Update was NOTED by the Board, and the CCO left the meeting.

9. ANNUAL BUDGET

Denise Donovan, Head of Operations and Finance in HBFI (“**HoOF**”) joined the meeting and presented the draft Budget for 2022.

She summarised the key assumptions, as set out in in Appendix 2 of her paper

THIS ITEM HAS BEEN REDACTED IN PART

It was AGREED to APPROVE the Draft Budget for 2022.

The HoOF left the meeting.

10. PROPOSED AMENDMENTS TO THE ISIF FACILITY AGREEMENT.

THIS ITEM HAS BEEN REDACTED IN FULL

11. ANNUAL PRESENTATION FROM HEAD OF LEGAL.

The HBFI Head of Legal presented the Annual Presentation from the Legal Team, having pre circulated a detailed paper to the Board.

She opened by providing detail on the new Legal Operating Model which was now operational, and she outlined in practical terms how this works, and why it was needed. She advised that this is subject to ongoing monitoring to ensure it is operating in the most effective manner.

She referred to the year ahead and advised that the HBFI Legal Panels were up for review in 2022, and that this was an opportunity to make the legal procurement process more efficient. She said it was a priority that HBFI would get the right balance of competencies and depth, but also achieve value for money.

THIS ITEM HAS BEEN REDACTED IN PART

Finally, a Board member made two suggestions for assisting with reducing delay in the legal process:

THIS ITEM HAS BEEN REDACTED IN PART

The Chairperson thanked the HBFI Head of Legal for her presentation which was Noted by the Board and she left the meeting.

12. RISK.

Sean Alger, Head of Credit and Risk (“**HoCR**”) joined the meeting and provided the Risk update, presented the following reports to the Board:

i. **Risk Report.**

The HoCR advised this report was presented to ARC at its meeting on the 6th December 2021 and that by way of general update, he noted the cost inflation risk was previously discussed at ARC and Board.

THIS ITEM HAS BEEN REDACTED IN PART

- ii. **Portfolio Report.**
THIS ITEM HAS BEEN REDACTED IN FULL
- iii. **Risk Appetite KPIs.**
THIS ITEM HAS BEEN REDACTED IN FULL
- iv. **Credit Decisions Report**
The Board noted the report.
- v. **Account Review Schedule**
The HoCR noted that all November and December reviews were either complete or scheduled to occur prior to year-end.

The Risk Reports were Noted by the Board.

13. IMPAIRMENT POLICY.

The HoCR presented the annual review of the Impairment Policy which he advised the Board remains unchanged from last year.

The Board AGREED to APPROVE the annual review of the Impairment Policy.

14. REPORT ON NTMA POLICIES THAT APPLY TO HBFI.

The HoCR presented the annual review of NTMA policies which apply to HBFI staff. He listed three new HR policies that have been added to this list, since last reviewed by the Board.

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

The HoCR left the meeting.

15. MLRO REPORT.

Deirbhile Brennan, NTMA Head of Compliance (“**HoC**”) and Sinead Flanagan, Senior Compliance Manager and Money Laundering Reporting Officer (“**MLRO**”) joined the meeting.

The MLRO presented the MLRO Report. She brought the Board’s attention to the following points:

- In relation to a recent communication from the Central Bank to Schedule 2 Firms outlining a new requirement to register with the CBI Online Reporting System, this registration is now complete for HBFI.
- The MLRO advised the Board that a number of measures including four draft legislative proposals have been published at European level and that these will impact firms, including HBFI, in the coming years.
- **THIS ITEM HAS BEEN REDACTED IN PART**
- The MLRO confirmed to the Board that AML training has now been completed by both HBFI staff and Board members.

The HoC confirmed to the Board that this MLRO Report was reviewed by the ARC at its meeting on the 6th December 2021.

The MLRO report was NOTED by the Board and the MLRO and HoC left the meeting.

16. REPORT FROM ARC MEETING HELD ON 06.12.21.

This Report was NOTED by the Board.

17. AUDIT AND RISK COMMITTEE – TERMS OF REFERENCE.

Caroline Ensor, Company Secretary presented the annual review of the Terms of Reference for the Audit and Risk Committee, which she advised was reviewed by the ARC at its meeting on the 6th December 2021.

The Board AGREED to APPROVE the annual review of the Terms of Reference for the Audit and Risk Committee, including the proposed changes.

18. HBFI TRANSACTION DOCUMENT APPROVAL AND EXECUTION POLICY AND PROCEDURE.

Caroline Ensor, Company Secretary presented the annual review of the HBFI Transaction Document Approval and Execution Policy and Procedure. She outlined the rationale for the proposed changes as tracked on the document presented.

The Board AGREED to APPROVE the annual review of the HBFI Transaction Document Approval and Execution Policy and Procedure, including the proposed changes.

19. REMUNERATION COMMITTEE – TERMS OF REFERENCE.

Caroline Ensor, Company Secretary presented a request to defer the annual review of the Remuneration Committee, Terms of Reference, which is due this month.

The Board AGREED to APPROVE the deferral of the review of the Remuneration Committee Terms of Reference, until after that Committee next meets so that it may review its own Terms of Reference, prior to presentation to this Board for ultimate Approval.

20. AOB

Four matters were raised under AOB:

- i. The Company Secretary confirmed that the self-evaluation of both the HBFI Credit Committee and the HBFI Remuneration Committee have been completed, and that in both cases the responses will first be presented to the respective Committee, and thereafter will be reported to the Board.
- ii. **THIS ITEM HAS BEEN REDACTED IN PART**
- iii. A Board member suggested HBFI should consider how best to it can provide input on the impact that any policy changes could have on the availability of finance for residential construction. The CEO said she would take this into account in engagement with stakeholders.
- iv. A Board member asked that the overlap between the ARC and Board be looked at with a view to reducing duplication, i.e. to reduce the number of papers

required to go to both the ARC and the Board of HBFI. The CEO said that she would review the workplans for both the ARC and the Board for 2022.

CLOSE

There being no further business the meeting was closed.

Chairperson