

**HOME BUILDING FINANCE IRELAND (THE "COMPANY")**

**MINUTES OF A MEETING OF THE  
BOARD OF DIRECTORS OF THE COMPANY  
DULY CONVENED, CONSTITUTED AND HELD AT 3.30pm  
ON THE 24TH DAY OF JANUARY 2019**

**PRESENT:** Des Carville, Chairperson  
Michael Broderick  
Andrew O' Flanagan

**APOLOGIES:** None

**IN ATTENDANCE:** Joseph Colgan Secretary  
Paula Flinter Head of Legal (Items 6 & 7)  
Sean Alger Head of Credit & Risk (Item 9)

**1. NOTICE AND QUORUM**

The Chairperson 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 two 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**

For the purposes of Section 231 of the Companies Act 2014 and the Constitution of the Company, there were no material interests declared by the directors present at the meeting in the business to be transacted at the meeting.

## **5. MEETING MINUTES AND MATTERS ARISING**

**IT WAS RESOLVED THAT** the minutes of the Board meetings of the 17th December 2018 and 20th December 2018 as presented to the Board be approved and were signed by the Chairperson.

## **6 GOVERNANCE STRUCTURE FOR HBFI AND HBFIL**

The HBFI Head of Legal presented a paper on how the Board meetings of HBFI and HBFIL could operate going forward. The paper presented provided an overview of the HBFI group structure, how Board meetings for each entity within the group could operate, the establishment of committees and an executive management team and where they would sit within each entity, the application of policies and procedures across the HBFI group, as well as setting out how and by who reserved matters would apply to each entity. Following questions and a discussion **IT WAS RESLOVED** that the structures proposed be approved subject to the possible establishment in due course of a nominations committee in addition to the three committees set out in the paper (Audit & Risk, Credit and Remuneration).

## **7. RATIFICATION OF DECISIONS AND ASSUMPTION OF PRE-INCORPORATION ARRANGEMENTS**

The HBFI Head of Legal outlined to the Board possible arrangements for transfer from the NTMA to HBFI of certain contracts entered into by the NTMA prior to incorporation of HBFI as part of the preparations for its establishment. The Board requested that HBFI Legal work with NTMA Legal to determine how best to give effect to such transfers as appropriate.

The Board discussed the appropriate date from which HBFI would be responsible for fees and costs accruing under contracts entered into by the NTMA as part of the preparations for establishment of HBFI and **IT WAS AGREED** that fees and costs accruing with effect from 7 December 2018 (the date of incorporation of HBFI) will be for the account of HBFI.

The HBFO Head of Legal confirmed, and it, and discussed

## **8. AMENDMENT TO THE CODE OF CONDUCT FOR HBFI BOARD AND COMMITTEE**

The HBFI Project Lead presented the amended Code of Conduct for Board and Committee (version 2) ("Code"). It was noted that the Code had been updated following the incorporation of HBFIL as the Code applies to both HBFI and HBFIL. The Board reviewed the updated Code. **IT WAS RESOLVED THAT** the amendments proposed to the Code be approved.

## **9. APPROVAL OF HBFI POLICIES THIS ITEM HAS BEEN REDACTED IN PART.**

The Head of Credit and Risk presented the draft Credit Policy, Delegated Authority Policy and Pricing Policy. The Board reviewed the draft policies. It was noted that all policies will be subject to an annual review. In response to a question from a Board member, could be charged **IT WAS RESOLVED THAT** the Credit Policy, Delegated Authority policy and the Pricing Policy as presented to the Board be approved subject to the following amendments:

- Delegated Authority Policy -
  - a) To change the frequency of the summary of loan declines to be presented to Credit Committee from quarterly to monthly; and
  - b) To change the frequency of the summary of loan decisions by Credit Committee to be presented to the Board from quarterly to monthly as careful monitoring of these metrics is important during the establishment phase of HBFI and that the necessity of such frequency can be reviewed in the future.

## **10. HBFI OFFICIAL LAUNCH**

The Board noted the update provided by the Project Lead on the upcoming official HBFI launch involving Minister Donohue and Minister Murphy.

## **11. RECRUITMENT UPDATE**

The Board noted the update provided by the Project Lead in regard to staff recruitment as well as noting that HBFI CEO position had now been advertised. In particular, it was noted that several external hires who had verbally accepted offers subsequently accepted counter-offers from their current employer.

## **12. PREMISES UPDATE**

The Project Lead provided an update on premises. It was noted that further office space will be required when further staff join at the end of February but that there are tentative arrangements in place to expand within Treasury Building. It was agreed to keep this matter under careful review. It was also noted that a Heads of Term for the lease on the Dublin Landings would be presented at the March Board meeting.

## **13. DRAFT BUDGET**

The Project Lead presented a draft budget. The Board discussed the budget noting that these were high level indicative figures some of which appeared to lack sufficient detail. **It was noted** that a final budget, containing more granularity, would be presented at the March Board meeting.

## **14. PROCUREMENT UPDATE**

The Project Lead provided an update on the monitoring surveyors, valuations and legal tenders. It was noted that prior to the monitoring surveyor panel being in place there may be a need to hire monitoring surveyors on a 3 quote basis pending the completion of the tendering process.

## **15. ISIF FUNDING UPDATE**

An update on the ISIF facility was provided by the Project Lead. **It was noted** that good progress had been made and that the facility was expected to be finalised for presentation to the Board at the February Board meeting.

## **16. IT/CRM UPDATE**

The Project Lead presented on the IT Plan for 2019 including setting out the estimated cost to complete out the IT development and provide a CRM system with end to end functionality. The Board discussed the IT requirements and associated costs. The Board recognised the importance of capturing all interactions with prospective and actual customers. **IT WAS RESOLVED** that the CRM Development budget and the Data Warehousing / MI budget be approved. It was noted that there remained an on-going requirement for a project management role and **IT WAS RESOLVED** that discussions be held with NTMA HR in regard to a possible secondment for this role.

## **17. INSURANCE UPDATE**

**THIS ITEM HAS BEEN REDACTED IN PART.**

The Project Lead provided an update on the insurance requirements for the Company. It was confirmed that the existing Directors & Officers insurance had been extended to include HBFIL. The Board discussed other insurance requirements. **It was noted** that further investigation into Professional Indemnity cover was required and that this would be presented at the February Board meeting.

**IT WAS RESOLVED** that additional Public Liability insurance relating to secured sites be approved.

## **18. PRIMARY SERVICE PROVIDER UPDATE**

**THIS ITEM HAS BEEN REDACTED IN PART.**

An update on the PSP contract was provided by the Project Lead. It was noted that the PSP contract issued to Fexco on the 18<sup>th</sup> January 2019.

## **19. COMPANY SECRETARY**

**IT WAS RESOLVED THAT** Caroline Ensor be appointed as Company Secretary with effect from 28th January 2019, replacing Joseph Colgan as company secretary from that date.

**IT WAS NOTED THAT** Joseph Colgan was to be appointed as company secretary of Home Building Finance Ireland (Lending) DAC.

## **20. FILINGS**

**IT WAS UNANIMOUSLY RESOLVED THAT** the Secretary of the Company be and is hereby authorised and directed to make all necessary and appropriate entries in the books and registers of the Company and to arrange for all necessary forms and documents in connection with the matters referred above to be completed and filed as required.

## **21. AOB**

The Project Lead advised that the provision of "BoardPad" for the board meetings had been delayed due to NTMA resourcing commitments relating to the Dublin Landings move. It was noted that HBFIL and HBFIL would be out of step with other entities within the NTMA family who use "BoardPad" for confidentiality and information security. It was agreed that while this situation was acceptable to the current Board due to its small size it would present potential issues when the Board expands to its

full complement in due course. It was therefore agreed this matter would be referred to the NTMA Chief Financial and Operating Officer.

**CLOSE**

There being no further business the meeting then terminated.

**HOME BUILDING FINANCE IRELAND (THE "COMPANY")**

**MINUTES OF A MEETING OF THE  
BOARD OF DIRECTORS OF THE COMPANY  
DULY CONVENED, CONSTITUTED AND HELD AT 11am  
ON THE 1st DAY OF MARCH 2019**

**PRESENT:** Des Carville                      Chairperson  
Michael Broderick  
Andrew O'Flanagan

**APOLOGIES:**                      None

**IN ATTENDANCE:** Caroline Ensor                      HBFI Company Secretary  
Sean Alger                      HBFI Head of Credit & Risk (Item 6)  
Philip Bowler                      NTMA Compliance and HBFI DPO (Items 7)  
Joe Colgan                      HBFI Audit & Risk (Item 8)  
Paula Flinter                      HBFI Head of Legal (Item 9)

**1. NOTICE AND QUORUM**

The Chairperson 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 two 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**

For the purposes of Section 231 of the Act and the Constitution of the Company, there were no material interests declared by the directors present at the meeting in the business to be transacted at the meeting.

## **5. MEETING MINUTES AND MATTERS ARISING**

**IT WAS RESOLVED THAT** the minutes of the Board meeting of the 24th January 2019 as presented to the Board be approved and were signed by the Chairperson.

## **6. APPROVAL OF THE HBFI CREDIT GRADING POLICY**

Sean Alger presented the HBFI Credit Grading Policy, and it was noted that the Board had reviewed and considered the draft policy document in respect of the Company and its subsidiaries, a copy of which had been circulated to the Board prior to the meeting. Sean Alger answered questions posed to him by the Board, and **IT WAS RESOLVED THAT** this policy be approved subject to three amendments to Part 4.2.

## **7. APPROVAL OF TWO POLICIES PRESENTED BY PHILIP BOWLER THIS ITEM HAS BEEN REDACTED IN PART.**

Philip Bowler of NTMA Compliance and the HBFI DPO presented the HBFI Data Protection Policy and **IT WAS RESOLVED THAT** this policy be approved.

Philip Bowler also presented the HBFI Reporting of Relevant Wrong Doing and Protected Disclosures Policy. **It WAS RESOLVED THAT** this policy be approved, and it was **FURTHER RESOLVED** that the HBFI Project Lead or the HBFI CEO be delegated authority to approve the change to this policy.

## **8. APPROVAL AND NOTING OF POLICIES PRESENTED BY JOE COLGAN**

Joe Colgan presented the HBFI Anti-Fraud Policy and it was noted that the Board had reviewed and considered the draft policy document in respect of the Company and its subsidiaries, a copy of which had been circulated to the Board prior to the meeting. **IT WAS RESOLVED THAT** this policy be approved, subject to a single formatting amendment.

Joe Colgan also presented a list of 39 NTMA policies that HBFI are bound by, and the list was **NOTED**.

Further to a question from the Chairman, Joe clarified that there are circa 60 other NTMA policies to be reviewed to establish which of these policies can be applied directly to HBFI and those where a HBFI specific policy needs to be drafted and approved. A further list of NTMA policies that HBFI will be bound by will be presented at the next Company Board meeting. **IT WAS FURTHER NOTED** that all HBFI employees receive induction training from the NTMA that the list presented today was not a full list of the NTMA policies that apply to the HBFI, and further that all NTMA policies are easily accessible to HBFI employees on the NTMA intranet homepage.

## **9. CONTRACTS ENTERED PRIOR TO THE INCORPORATION OF HBFI. THIS ITEM HAS BEEN REDACTED IN PART.**

Paula Flinter confirmed to the Board that NTMA Legal and HBFI Legal have agreed the following in relation to HBFI related contracts entered into by the NTMA before the incorporation of HBFI:

1. Communicraft- branding and website design:

Branding and website services under 2 contracts with Communicraft have been completed to the satisfaction of HBFI management. No action proposed for now; if further action is required in the future under these contracts, this will be revisited. The expectation is that, in such circumstances, NTMA would assign the benefit of the contracts to HBFI (which is permitted under the contract terms).

2. KPMG - tax advices.

Initial tax advice in preparation for the establishment of HBFI was obtained by the NTMA (through NTMA Finance) from the NTMA's tax advisor, KPMG under the terms of the NTMA's engagement letter with KPMG for the provision of tax advice and tax compliance services. No assignment proposed. As part of the discussions between the NTMA and HBFI on an SLA for services from the NTMA, consideration will be given as to how best to structure arrangements for HBFI to obtain tax advice following its incorporation.

3. Deloitte - accounting advices.

Initial accounting advice in preparation for the establishment of HBFI was obtained by NTMA Finance from Deloitte under the terms of the NTMA's general financial accounting advisory services engagement letter with Deloitte. No assignment proposed. As part of the discussions between the NTMA and HBFI on an SLA for services from the NTMA, consideration will be given to how best to structure arrangements for HBFI to obtain accounting advice following its incorporation.

4. Codec - CRM development. No action required.

5. Arthur Cox - legal advices.

HBFI to adhere to the contract order between the NTMA and Arthur Cox with the benefit of services relevant for performance of HBFI statutory functions being extended to HBFI. The form of adherence will be agreed between HBFI Legal, NTMA Legal and Arthur Cox.

**IT WAS NOTED THAT** no further action is required in respect of 1-4 above inclusive and that in respect of number 5, **IT WAS RESOLVED THAT** HBFI would adhere to the contract order between NTMA and Arthur Cox, and the form of adherence will be agreed between HBFI Legal, NTMA Legal and Arthur Cox. A Board member raised a query on when this contract was due to expire and it was clarified that it remains on-going and will continue until the HBFI legal panel is in situ.

**10. ISIF FACILITY.**

Michael Broderick provided an update on the status of the ISIF Facility.

**11. INSURANCE**

**THIS ITEM HAS BEEN REDACTED IN FULL**

**12. Business Update.**

Michael Broderick presented, and the Board reviewed a paper containing a Business Update, for information. It was noted that the levels of interest in HBFI have been strong. Michael provided an update on the locations he has visited with the CIF Roadshow, and upcoming meetings planned with AHBs. It was noted that Michael will meet with Martin Whelan of the NTMA with a view to agreeing



a general communications strategy to include the provision of commercially sensitive information going forward.

### **13. GENERAL UPDATES**

Michael Broderick provided an update on recruitment and accommodation. **IT WAS NOTED** that two new lending Managers have accepted offers from HBFI.

It was confirmed that the HBFI will initially be moving to the 7th floor in Dublin Landings.

### **14 FILINGS**

**IT WAS NOTED** that this meeting of the Company Board did not give rise to any Company filing requirements by the Company Secretary.

### **15. AOB**

**THIS ITEM HAS BEEN REDACTED IN PART**

Michael Broderick outlined three options in relation to the adoption of BoardPad for the administration of HBFI and HBFIL Board Meetings, namely that BoardPad is adopted on the NTMA server, or that it is set up on separate server but this will not be done until NTMA Systems have capacity which will be July 2019, or that the Board do not use BoardPad at this time, but continue to receive Board information via e-mail.

**IT WAS RESOLVED** to approve the adoption of BoardPad as soon as possible, on the NTMA server.

**CLOSE**

There being no further business the meeting then terminated.

**HOME BUILDING FINANCE IRELAND (THE "COMPANY")**

**MINUTES OF A MEETING OF THE  
BOARD OF DIRECTORS OF THE COMPANY  
DULY CONVENED, CONSTITUTED AND HELD AT 4pm  
ON THE 21st DAY OF MARCH 2019**

**PRESENT:** Des Carville Chairperson  
Michael Broderick Project Lead  
Andrew O'Flanagan

**APOLOGIES:** None

**IN ATTENDANCE:** Caroline Ensor HBFI Company Secretary  
Sean Alger HBFI Head of Credit & Risk {Items 7 & 9}

**1. NOTICE AND QUORUM**

The Chairperson 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 two 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**

For the purposes of Section 231 of the Act and the Constitution of the Company, there were no material interests declared by the directors present at the meeting in the business to be transacted at the meeting.

## **5. MEETING MINUTES AND MATTERS ARISING**

**IT WAS RESOLVED THAT** the minutes of the Board meeting of the 15<sup>th</sup> March 2019 as presented to the Board be approved and were signed by the Chairperson.

## **6. ISIF Facility**

The Project Lead provided an update on the ISIF Facility.

## **7. Fexco Contract**

**THIS ITEM HAS BEEN REDACTED IN FULL**

## **8. Recruitment and Accommodation**

**THIS ITEM HAS BEEN REDACTED IN PART**

The Project Lead provided an update on recruitment. He confirmed to the meeting that would leave HBFI on 27<sup>th</sup> March 2019. It was requested that the valuable contribution has made to HBFI be **NOTED**, in particular her work in relation to the HBFI Launch which was a great success.

The Project Lead confirmed that 2 suitable applications for the HBFI Procurement Manager role had been received and that the interviews would be held on Monday next. Furthermore, it was confirmed that the successful candidate would initially be seconded from HBFI to NTMA Procurement where they would be trained for a period of three months, after which they will return to HBFI.

The Project Lead outlined that it was proving difficult to find suitable qualified senior lending managers. On three occasions senior lending managers has been offered a position by HBFI but on both occasions they received counter offers which they accepted. An individual experienced in financial services, but not at senior lending manager level has accepted an offer; however, he has to provide three months' notice to his current employer.

The budget and heads of terms are still awaited from the NTMA. The Board asked if that price included the fit out and The Project Lead confirmed that it did. The Board asked if there were sufficient meeting rooms, in particular those suitable to meet external stakeholders, and The Project Lead stated that he is seeking confirmation that HBFI will have exclusive access to a meeting room on the ground floor for that purpose.

## **9. HBFI Appeals Process**

The Head of HBFI Credit and Risk commenced by stating that there are two possible options for the operation of an appeals process, namely (1) that the decision is appealed, or that (2) the process is appealed (in that the proper process was not followed in reaching the decision). The paper he presented referred to the former. A thorough and in-depth debate and discussion followed on the advantages and disadvantages of each option, and what appeal process would be the correct one to meet the objectives of transparency and fairness. A preference for an element of independence was expressed. Concerns were raised in relation to increasing the delegated authority of the credit committee so that it could hear all credit decisions, as that would remove the role of the HBFI Board in making credit decisions. **IT WAS RESOLVED** that the option of the CRO (Credit Review Office)

playing a role in the Appeal of the decision-making process be considered ahead of the next board meeting.

#### **10. Code of Practice and Governance File**

The Company Secretary (who is also a Solicitor on the HBFI Legal Team) provided an update on HBFI's work to date on the Code of Practice for the Governance of State Bodies and the HBFI Governance File. She confirmed that she and a Senior Audit and Risk Manager, HBFI had met with the Department of Finance on the previous day (Wednesday 20th March 2019) where they had updated the Department of Finance on both.

#### **11. Appointment of Head of Operations.**

**IT WAS NOTED** that Denise Donovan has been appointed Head of Operations for HBFI and commenced employment with the organisation on the 13th March 2019. As a Head of Function, Denise is authorised (together with the Project Lead/CEO or one other of the Heads of Function) to instruct the signatories to transact on the CBI account per Resolution of the Board dated 17th December 2018.

#### **12 Business Update.**

The Project Lead provided a business update and circulated a paper with up to date information on the number of expressions of interest received. He also provided further detail on the number of full applications currently being progressed. He stated that there were two applications that could potentially be ready for presentation to the HBFI (L) Board for credit decision on Thursday 4th April. All present confirmed their availability for that date.

#### **13. AOB**

##### **The following matters were raised under AOB**

##### **Policies and Procedures**

It was confirmed that a number of NTMA policies and procedures for noting by the HBFI Board would be presented at the next meeting.

##### **Insurance**

The question as to whether the Company should obtain professional indemnity insurance cover was discussed, following which discussion **IT WAS RESOLVED** not to put professional indemnity insurance in place at this time, but that the matter would be kept under review and put to the larger HBFI board, once said board was in place.

**The Project Lead was asked to leave the meeting for the next item.**

##### **Recruitment of the CEO of HBFI.**

The remaining Board Members confirmed that the process to select the CEO of HBFI was underway and that the interviews are currently taking place. A decision is expected in the coming weeks.

**The Project Lead re-joined the meeting.**

**CLOSE**

There being no further business the meeting then terminated.

**HOME BUILDING FINANCE IRELAND (THE "COMPANY")**

**MINUTES OF A MEETING OF THE  
BOARD OF DIRECTORS OF THE COMPANY  
DULY CONVENED, CONSTITUTED AND HELD AT 2PM  
ON THE 23rd DAY OF APRIL 2019**

**PRESENT:** Des Carville                      Chairperson  
Michael Broderick  
Andrew O'Flanagan

**APOLOGIES:**                      None

**IN ATTENDANCE:** Caroline Ensor                      Company Secretary  
Philip Bowler                      NTMA Compliance (item 6)  
Kieran Browne                      Legal Advisor HBFI (items 7 & 8)  
Denise Donovan                      Head of operations HBFI (items 9, 10 & 11)  
Sean Alger                      Head of Credit and Risk, HBFI (items 12, 13 & 14)

**I. NOTICE AND QUORUM**

The Chairperson 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 two 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**  
**THIS ITEM HAS BEEN REDACTED IN PART**

In accordance with the provisions of Section 231 of the Act those directors present each declared that they had no interest 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 the 21st March 2019 as presented to the Board be approved and were signed by the Chairperson.

**6. HBFI CLEAN DESK POLICY**

Philip Bowler, NTMA Compliance joined the meeting. It was noted that the Board had reviewed and considered the draft HBFI Clean Desk Policy as circulated to the Board. Philip Bowler presented the policy, which was drafted by NTMA Compliance, and addressed any questions of the Board, including one from a Director who asked if the desk checks were random or if advance warning was given. Philip confirmed that to be a matter for each business area. **IT WAS RESOLVED** that the draft HBFI Clean Desk Policy be approved as per the draft presented.

Philip left the meeting.

**7. ISIF FACILITY**  
**THIS ITEM HAS BEEN REDACTED IN PART**

The HBFI Legal Advisor joined the meeting. He presented a paper to the Board for approval, in relation to the approval of HBFI to enter into the ISIF Facility as per the draft presented.

**7.1 Background**

(a) The HBFI Legal Advisor explained to the meeting that it was proposed that the Company's subsidiary, Home Building Finance Ireland (Lending) DAC ("**HBFIL**"), would enter into a facility agreement with the National Treasury Management Agency (in its capacity as controller and manager of the Ireland Strategic Investment Fund) ("**ISIF**") for a euro denominated loan facility of up to €730,000,000 (the "**ISIF Facility**") (the "**ISIF Facility Agreement** ").

(b) The ISIF Facility is contemplated by Section 42A of the National Treasury Management Agency (Amendment) Act 2014 (the "**2014 Act**"), and will be used by HBFIL to fund residential development in Ireland and related matters. The Minister for Finance, the Company's sole shareholder, has directed ISIF to provide the ISIF Facility to HBFIL pursuant to Section 42A and Section 43 of the 2014 Act.

(c) The HBFI Legal Advisor noted that, as a contract with a value of €1 million or greater, approval of the terms of the ISIF Facility Agreement is a matter reserved to the Company's Board.

(d)

## 7.2 Documents

## 7.3 Approval of the Transaction

The HBFI Legal Advisor explained that the Board was being asked to consider and, if thought fit : (i) to approve the terms of, the transactions contemplated by, and the entry into by HBFI of, the Transaction Documents, and (ii) to approve the terms, and the execution, of the Corporate Certificate.

After discussion, and due consideration, of the terms of the Transaction Documents, **IT WAS UNANIMOUSLY RESOLVED** that the terms of the Transaction Documents, and the entry into by HBFI of the Transaction Documents, is approved.

**IT WAS FURTHER UNANIMOUSLY RESOLVED** that the Corporate Certificate, and the entry into and execution of the Corporate Certificate by a director, in each case, be and is hereby approved.

## 8 HBFI LEGAL PANELS

Kieran Browne, Legal advisor, presented a paper to the Board, for information, containing an update on the putting in place of 3 panels for the provision of legal services to HBFI. An updated paper was handed out to the meeting with one amendment tracked thereon, made since the date the board papers were circulated. Kieran answered some general questions about the panels posed by the Board.

Kieran Browne left the meeting.

## 9. HBFI BUDGET 2019

### **THIS ITEM HAS BEEN REDACTED IN PART**

Agenda item 11 was discussed next. The Head of Operations presented a paper containing the draft HBFI Budget for consideration by the Board. She brought to the attention of the meeting the main changes since the Board has last reviewed the HBFI Budget, and that the reduced lending levels for the year are based on the current position as at the end of March of loans approved and anticipated loan approvals factoring in the time lag to drawdown. A discussion on the draft Budget followed. It was outlined to the Board that in terms of the Budget there are elements that are in the control of HBFI, namely the costs etc., but that the level of lending is something outside of the organisation's control, and furthermore it is not possible to predict accurately. It was noted that there has been a large number of Expressions of Interest (over 80) received by HBFI, but only a small number of these will translate into approved facilities and this is taking time.

The board requested that the Budget be presented again at the next Board meeting with further information including a narrative comparing the original business plan, the intervening draft Budget presented to the Board in January 2019, the current Budget and a look forward beyond 2019.

## 10. HEADS OF TERMS – DUBLIN LANDINGS

### **THIS ITEM HAS BEEN REDACTED IN FULL**



**11. SERVICE LEVEL AGREEMENT BETWEEN HBFI AND NTMA  
THIS ITEM HAS BEEN REDACTED IN PART**

The Head of Operations presented a paper containing the draft SLA between the NTMA and HBFI, for consideration by the Board. She led the Board through her paper bringing the important points to their attention. It was confirmed, on being queried, that the legal and compliance category of costs included corporate communications. Given the fact that the allocation of costs between the various NTMA business units is not set out as presented to HBFI, the Chairman requested that assurances are sought from the Chief Financial and Operating Officer in the NTMA that the allocation of costs on a percentage basis as between the units in the NTMA is done on an equitable basis.

**12. HBFI APPEALS PROCEDURE  
THIS ITEM HAS BEEN REDACTED IN PART**

The Head of Credit and Risk presented a paper to the Board, for discussion, for the operation by HBFI of an Appeals procedure. The paper outlined two options, one with an external reviewer and the other whereby HBFI conduct an internal review by someone independent of the credit decision process. The Board discussed both options and the advantages and disadvantages of both. The Head of Credit and Risk answered questions posed by the Board including reference to the HBFI Complaints Procedure which would deal with complains other than those around the decision process. The basis of the appeals process would be to establish if the correct process was followed by HBFI in arriving at a decision to decline a loan application. The Board asked that the costs and practicalities of HBFI using the Credit Review Office's panel of external reviewers as an external independent reviewer be explored and **IT WAS RESOLVED** that a proposal around same be presented to the Board at the next Board meeting.

**13. HBFI RISK MANAGEMENT POLICY AND FRAMEWORK, and HBFI RISK APPETITE STATEMENT  
THIS ITEM HAS BEEN REDACTED IN PART**

It was noted that the Board had reviewed and considered the draft HBFI Risk Management Policy and Framework, and the HBFI Risk Appetite Statements as circulated to the Board.

The Head of Credit and Risk presented the draft HBFI Risk Appetite Statement, drawing the Board's attention to the important points, and answered questions posed by the Board. The Chairman raised a query on paragraph 7.3, and what the nuances are behind the proposed "Low" risk appetite for Liquidity, Funding & Counterparty Risk and if this should be "Adverse" risk given the availability of committed funds from ISIF. In the event of any delays or an inability by HBFI to raise additional funds in the markets, HBFI may not have adequate funds available to meet drawdown requests from borrowers. **IT WAS RESOLVED** that the draft statement be approved as presented.

The Head of Credit and Risk presented the draft HBFI Risk Management Policy and Framework and answered questions posed by the Board. **IT WAS RESOLVED** that the draft policy be approved subject to an agreed amendment to paragraph 2.1.

It was confirmed to the Board that from this point on, Risk Management should be a standing item on the Agenda of Board meetings.

The Board enquired if the two documents covered the risk of fraud and it was confirmed to the Board that an end to end review of potential internal and external fraud risk to include Fexco is being carried out as part of the risk assessment process under way. It is expected that the risk register will be presented to the Board meeting in June.

#### **14. FEXCO CONTRACT**

##### **THIS ITEM HAS BEEN REDACTED IN PART**

The Head of Credit and Risk provided a verbal update on negotiations in relation to the agreeing and execution of the Primary Servicing Agreement with Fexco, for information.

#### **15. NTMA POLICIES AND PROCEDURES APPLICABLE TO HBFI**

The Company Secretary, on behalf of the Senior Manager Audit and Risk, presented a paper detailing a list of thirteen NTMA Policies and Procedures that apply to HBFI, for noting by the Board. The Board requested that a list of the NTMA policies and procedures that were reviewed by HBFI and deemed not to apply be presented to the Board at the next Board meeting.

#### **16. BUSINESS UPDATE**

##### **THIS ITEM HAS BEEN REDACTED IN PART**

The Project Lead presented a paper containing the up-to-date position from the business which detailed meetings with all the main Approved Housing Bodies, statistics on expressions of interest received (including by geographical spread) and full applications received, in addition to details on the three facilities approved by the delegated authority. He said meetings with the AHBs had provided contacts for future cooperation. Furthermore, he gave details on three potential applications in the pipeline, that it was hoped to present to the Board within the next few weeks.

#### **17. AOB**

##### **THIS ITEM HAS BEEN REDACTED IN PART**

The following matters for discussion were raised under AOB:

- i. The Project Lead confirmed that a parliamentary question was received and an answer provided in relation to the number of residential units approved for funding by HBFI.
- ii. The Chairman provided an update on the process for the recruitment of the additional Board Members. Twelve candidates have been shortlisted for interview with approximately four candidates shortlisted for the role of Chairperson. The next step is that following interview, a final shortlist will be presented to the Minister who will appoint four new Board Members.
- iii. It was confirmed to the Board that the Company Secretary intends to use BoardPad to administer Board meetings going forward, commencing with the May 2019 meeting scheduled for 23rd May. The Board noted this.
- iv.

v. The Project Lead confirmed to the Board that thus far HBFi does not have access to the enquiry function on the Central Credit Register, but that we will be needed prior to any facilities being signed.

**CLOSE**

There being no further business the meeting then terminated.

**HOME BUILDING FINANCE IRELAND (THE "COMPANY")**

**MINUTES OF A MEETING OF THE  
BOARD OF DIRECTORS OF THE COMPANY  
DULY CONVENED, CONSTITUTED AND HELD AT 2PM  
ON THE 23rd DAY OF MAY 2019**

**PRESENT:** Des Carville                      Chairperson  
                 Michael Broderick                  Director  
                 Andrew O'Flanagan                  Director

**APOLOGIES:**                      None

**IN ATTENDANCE:** Caroline Ensor                      Company Secretary  
                 Philip Bowler                      NTMA Compliance (items 7 and 8)  
                 Sinead Flanagan                      NTMA Compliance (items 7 and 8)  
                 Sean Alger                      Head of Credit and Risk, HBFI (item 9)  
                 Joe Colgan                      Audit and Risk Manager (items 10, 11 & 12)  
                 Denise Donovan                      Head of Operations HBFI (items 13, 14 & 15)

**1.        NOTICE AND QUORUM**

The Chairperson 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 two 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**  
**THIS ITEM HAS BEEN REDACTED IN PART**

In accordance with the provisions of Section 231 of the Act those directors present each declared that they had no interest 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 the 23rd April 2019 as presented to the Board be approved and were signed by the Chairperson.

**6. BUSINESS UPDATE**  
**THIS ITEM HAS BEEN REDACTED IN PART**

The Project Lead presented the business update, for information to the Board, noting that EOI's are down in number since the early weeks, as is to be expected. However, he pointed out that four were received this week and A Housing Seminar will be hosted by Mason Hayes and Curran Solicitors on the 13th of June 2019, and HBFI will attend. The event is also being attended by the Minister for Housing and John Coleman of the LDA.

The expected pipeline of loan applications received was also outlined.

In relation to Procurement, it was confirmed that the legal panel firms have been selected, and the evaluation for the Monitoring Surveyors will be held next week. The RFT for the valuer panel is almost finalised and will issue next week.

Philip Bowler and Sinead Flanagan of NTMA Compliance insert titles rather than names joined the meeting.

**7. HBFI (L) ANTI-MONEY LAUNDERING/COUNTER TERRORIST FINANCING POLICY AND BUSINESS RISK ASSESSMENT DOCUMENT,**

Sinead Flanagan, Senior Compliance Officer brought the Board through her paper bringing their attention to the salient points, including that the Fourth EU Directive means HBFIL fall under the definition of a designated body, and that the role of Director may make an individual a Politically Exposed Person Furthermore, it was confirmed to the Board that notwithstanding the fact that it has outsourced its AML work to a loan servicer, HBFIL will remain ultimately responsible.

It was requested that page 7 of the Business Risk Assessment be amended to 'The customer base will be largely Irish resident' to reflect that HBFI may have individuals involved in SPVs that live abroad. It was clarified to the Board, following a query, that a beneficial owner is anyone that holds over 25% of shares in an entity. A query from the Board on Board training for AML was raised -this is proposed to take place in September 2019.

The Policy was approved subject to the amendment outlined above.

## **8. HBFI PERSONAL ACCOUNT TRANSACTION POLICY FOR BOARD MEMBERS**

Philip Bowler, Data Protection Officer presented his paper to the Board highlighting the important points.

A comprehensive discussion followed on the circumstances where certain transactions are prohibited, and those which trigger a notification requirement.

The Board raised a query on what happens post the notification query being met - i.e., what are the next steps taken by NTMA Compliance in receipt of a notification and what are the possible outcomes, and it was confirmed that notifications are treated on a case by case basis.

The Board requested that the policy is brought to the enlarged Board in June for consideration.

[Philip Bowler and Sinead Flanagan] left the meeting at that point.

## **9. APPEALS POLICY, AND AMENDMENT TO THE DELEGATED AUTHORITY POLICY**

The Head of Credit and Risk presented the amended draft Appeals policy and went through the salient points including that the policy contained both an internal review by HBFI personnel not involved in the credit decision, but also the option to have an external review.

A discussion followed as to how the proposed cost of the external review was arrived at, that is for the services of the CRO panel member, and it was decided that a sliding scale similar to that of the CRO be adopted if feasible.

**IT WAS RESOLVED** that the policy was approved as presented.

It was **FURTHER RESOLVED** that the amended Delegated Authority Policy which contained two material amendments to the original also be approved as presented to the Board.

## **10. NTMA POLICIES AND PROCEDURES NOT BEING DIRECTLY ADOPTED BY HBFI**

Joe Colgan, Senior Credit and Risk Manager, presented a paper, for noting, on the eight NTMA policies and procedures which following review by HBFI were not adopted along with the rationale for this.

## **11. HBFI TRAVEL AND EXPENSES POLICY FOR MEMBERS OF THE HBFI AND HBFIL BOARDS AND COMMITTEES.**

Joe Colgan, Senior Credit and Risk Manager presented the 'HBFI Travel and Expenses Policy for Members of the HBFI and HBFIL Boards and Committees' to the Board for approval. The Board had no questions on this policy as **IT WAS RESOLVED** that the policy was approved as presented.

## **12. HBFI OTHER APPOINTMENTS PROCEDURE FOR HBFI AND HBFIL BOARDS AND COMMITTEES.**

Joe Colgan, Senior Credit and Risk Manager presented the 'HBFI Other Appointments Procedure for HBFI and HBFI{L} Boards and Committees' for approval. After brief discussion it was agreed that this procedure be presented to the enlarged Board in June.

Andrew O'Flanagan excused himself from the meeting for the next two agenda items.

## **13. HEADS OF TERMS – DUBLIN LANDINGS THIS ITEM HAS BEEN REDACTED IN PART**

The Head of Operation joined the meeting and

## **14. SERVICE LEVEL AGREEMENT BETWEEN HBFI AND NTMA THIS ITEM HAS BEEN REDACTED IN PART**

The Head of Operations asked the Board to confirm that in light of the confirmation received from the NTMA , namely that the allocation of costs as between the various business units in the NTMA is fair and equitable, that they are satisfied to approve the draft SLA and IT WAS RESOLVED that it be approved as presented.

## **15. HBFI STRATEGIC OBJECTIVES**

The Project Lead and Head of Operations presented the draft HBFI Strategic Objectives to the Board and confirmed that these are required, inter alia, by HR for cascading down by management to employees, for the setting of employee goals on their PMEDS.

The Board requested that the wording of the Mission Statement be simplified.

It was commented that 'fundingcommitted' is unclear. The wording of strategic goal no 1 is to be amended accordingly to provide clarity on this point.

A general discussion followed whereby it was agreed that for the purpose of objective setting and reporting going forward, approved funding is a more appropriate indicator than actual cash issued, as HBFI does not have control over the timing of drawdowns.

It was acknowledged by the Board that the strategic objectives may be revisited at any time and at a minimum on an annual basis.

**IT WAS RESOLVED** that the HBFI strategic objectives be approved subject to the above two amendments.

## **16. HBFI BUDGET 2019**

The Head of Operations presented the HBFI Budget for 2019 for approval, noting that the update to the Business Plan would follow in July 2019. The Board noted that despite the actual issuing of funds

being slower than was initially envisaged, it is clear that the targeted segment of the market does require finance.

The Board raised a query on the level of legal fees budgeted for, and the Head of Operations responded.

**IT WAS RESOLVED** that the HBFI Budget for 2019 be approved as presented.

#### **17. DELEGATION OF APPROVALS TO THE EMT**

The Project Lead presented a paper to the Board seeking approval to allow the Project Lead delegate certain functions (delegated to him by the Board on the 17th December 2018) to members of the Executive Management Team (including in relation to Purchase Orders, Invoices, and Contracts} up to a capped value of €50,000. **IT WAS RESOLVED** that this delegation be approved. For the avoidance of doubt, it was noted that the Project Lead (and following his or her appointment, the CEO) will retain sole authority for all functions delegated to him by the Board unless such functions are specifically delegated and documented as so delegated onwards.

#### **18. INDUCTION OF BOARD MEMBERS**

The Project Lead provided the Board with an update for information, on the preparation for the induction of the new Board members which will consist of an induction briefing day on Friday 14th June and the issuing of an induction pack containing all relevant information including previous minutes. This will issue in good time and ahead of the induction day. The interim Chairperson confirmed he will meet with the incoming Chairperson tomorrow. The Chairperson requested the Project Lead to consider appropriate appointments to the three HBFI Committees and to revert to him.

#### **19. AOB**

Minutes on the update on the position of CEO, held in a private session, are recorded separately.

#### **CLOSE**

There being no further business the meeting then terminated.



**HOME BUILDING FINANCE IRELAND (THE "COMPANY")**

**MINUTES OF A MEETING OF THE  
BOARD OF DIRECTORS OF THE COMPANY  
DULY CONVENED, CONSTITUTED AND HELD AT 2.30PM  
ON THE 20th June 2019**

**PRESENT:** Marie Collins                      Chairperson  
Michael Broderick  
Andrew O'Flanagan  
Des Carville  
Claire Solon  
Ken Slattery  
Grainne Hennessy

**APOLOGIES:**                      None

**IN ATTENDANCE:** Caroline Ensor                      Company Secretary  
Denise Donovan                      Head of Operations and Finance HBFI (item 14)  
Sean Alger                              Head of Credit and Risk, HBFI (item 12 and 13)

**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 three 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**  
**THIS ITEM HAS BEEN REDACTED IN PART**

In accordance with the provisions of Section 231 of the Act those directors present each declared that they had no interest 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 the 23rd May 2019 as presented to the Board be approved and were signed by the former interim Chairperson Des Carville, as he had chaired that meeting.

**6. RESIGNATION OF EXISTING CHAIRPERSON AND NOTING OF THE APPOINTMENT OF THE NEW CHAIRPERSON**

It was noted that Des Carville had resigned as Chairperson following the appointment of Marie Collins as Chairperson effective as of the 1st June 2019. At that point in the meeting, Marie Collins took over the role of chairing the meeting.

**7. APPOINTMENTS TO HOME BUILDING FINANCE IRELAND LENDING ("HBFI(L)")**

**IT WAS UNANIMOUSLY RESOLVED** that Marie Collins, Claire Solon, Grainne Hennessy and Ken Slattery be appointed to the Board of HBFI(L) with immediate effect, and for a period to mirror exactly the duration of their appointment to the Board of Home Building Finance Ireland (as detailed in the letters of appointment to said Board, dated 21st May 2019 signed by the Minister for Finance)

Article 15(c) of the Constitution of HBFI(L) states that an appointment to HBFI(L) shall be effected by a notice in writing signed by a duly authorised signatory of HBFI and shall be effective upon the delivery of such notice to HBFI(L) at HBFI(L)'s registered office. **IT WAS FURTHER RESOLVED** that Marie Collins as Chairperson sign said notice on behalf of the Company.

**8. ESTABLISHMENT OF AND APPOINTMENT TO THE HBFI(L) CREDIT COMMITTEE**

The interim CEO outlined the credit function within HBFI and there was general discussion with regard to the independence of the credit function and the lending team. It was confirmed that the Head of Credit & Risk will also have a reporting line to the Audit and Risk Committee.

It was requested that the Head of Credit and Risk attend the July Board meeting and present on how the Credit & Risk team undertakes its role, with a particular focus on its independence from the lending team, segregation of duties, and process around any non-performing loans.

It was agreed that the Head of Credit & Risk make a quarterly presentation to the Board of all loans, including a RAG stat us.

The Chairperson noted that Article 18(d) of the Articles of Association of the Company provides the Board with the power to appoint committees and to delegate to such committees any of the powers of the Board.

Following discussion, it was agreed to establish a Credit Committee of both Executive and non-Executive Board Members to sit under the HBFI(L) Board.

- i. The membership to include the Board, the Head of Credit and Risk, and the Chief Commercial Officer.
- ii. The Quorum of the Credit Committee shall be 3, always with a majority of non-Executive Board Members.
- iii. The Chairperson will chair the Committee or in her absence a Non-Executive Director.
- iv. The composition of the Credit Committee will be reviewed by the Board in 6 months, when consideration will be given to delegating authority to an Executive Credit Team within HBFI.
- v. The Company Secretary, in conjunction with the Head of Credit and Risk, will prepare draft Terms of Reference for the Credit Committee to be presented to the Board for approval at the July Board meeting.

#### **9. ESTABLISHMENT OF AND APPOINTMENTS TO THE HBFI REMUNERATION COMMITTEE**

The Board considered and approved the establishment of Remuneration Committee with draft terms of reference to be presented to the Board for approval at the July Board meeting.

**It WAS RESOLVED** that Grainne Hennessey as Chairperson, Andrew O'Flanagan and Marie Collins be appointed to the Remuneration Committee.

#### **10. ESTABLISHMENT OF AND APPOINTMENTS TO THE HBFI AUDIT AND RISK COMMITTEE**

The Board considered and approved the establishment of an Audit & Risk Committee with draft terms of reference to be presented to the Board for approval at the July Board meeting.

**IT WAS RESOLVED** that Ken Slattery as Chairperson, Claire Solon and Des Carville be appointed to the Audit and Risk Committee.

#### **11. BUSINESS UPDATE**

The interim CEO provided a business update to the Board, for noting.

HBFI will issue its first mid-year update in July 2019 and twice annually going forward.

The Board noted both expressions of interest and conversion rates, and managements intention to seek feedback from existing borrowers on their experience dealing with HBFI.

Several suggestions were made by the Board with regard to expanding the awareness of HBFI particularly among builders who are not members of CIF and the interim CEO advised that suggestions would be considered in the context of finalising a communication strategy.

## **12. HBFI OTHER APPOINTMENTS PROCEDURE FOR HBFI AND HBFI(L) BOARDS AND COMMITTEES.**

The Chairperson welcomed the Head of Credit and Risk who joined the meeting and presented a paper titled 'Other Appointments Procedure' to the Board for approval. It was noted that the requirement for this Procedure arises from the Code of Practice for the Governance of State Bodies.

Following the presentation a discussion was held on the time period to apply for other appointments by a HBFI Board members post retirement from the Board of HBFI.

**IT WAS UNANIMOUSLY RESOLVED** that the procedure be approved with a period of 3 months to apply to other appointments taken by a HBFI Board members post retirement from the Board of HBFI.

The limitations on being able to enforce such a provision were noted by the Board.

## **13. RISK**

### **THIS ITEM HAS BEEN REDACTED IN PART**

The Head of Credit and Risk advised the Board that the HBFI Risk Register is substantially complete and will be presented to the July Board.

The Head of Credit and Risk confirmed that with the establishment of Audit & Risk Committee he has a reporting line directly to the Audit and Risk Committee.

The Head of Credit and Risk left the Meeting.

Denise Donovan joined the meeting.

## **14. HEADS OF TERMS FOR DUBLIN LANDINGS**

Denise Donovan, Head of Operations and Finance, presented a paper on the draft Heads of Terms for the space allocated to HBFI in Dublin Landings, for approval. The following was noted:

- i. While this is a long-term lease, there is a break option based on a Ministerial direction if HBFI was to be wound up.
- ii. The commenced date is January 2019, 7 months prior to HBFI moving, allowing for fit out etc.
- iii. Adequate space is provided based on HBFI's current and projected size. If additional space is required, this will be negotiated with NTMA.

A query was raised on whether the building Would be eligible to avail of the rates exemption. The Head of Operations and Finance will revert to the Board on this.

**It WAS RESOLVED** that the Heads of Terms for Dublin Landing be approved per the draft presented, and furthermore that interim CEO together with a Head of Function be authorised to sign the Heads of Terms and any related lease documentation on behalf of HBFi.

Denise Donovan left the meeting and Andrew O' Flanagan re-joined at that stage.

## **15. RESOURCING IN HBFi**

The interim CEO presented a paper on current HBFi resourcing to the Board, for noting. He emphasised the importance of recruiting lending managers, as current resources are directed to managing existing approved loans.

The Board enquired as to how many HBFi staff were formerly employed by NAMA. It was advised that 10 of the current staff previously worked in NAMA.

## **16. AOB**

The following matters for discussion were raised under AOB:

- i. The Board thanked the Company Secretary and Management for the very informative induction day held on 14 June 2019.
- ii. It was confirmed that Caroline Ensor would act as the Company Secretary for each of the 3 sub Committees also.
- iii. It was confirmed that the July meeting would be held at 11.30am on Monday 29th July 2019 and would mostly likely be held in Dublin Landings.
- iv. The Chairperson asked the Company Secretary to review the possibility of increasing the quorum for Board meetings to four.

## **CLOSE**

There being no further business the meeting then terminated.

**HOME BUILDING FINANCE IRELAND (THE "COMPANY")**

**MINUTES OF A MEETING OF THE  
BOARD OF DIRECTORS OF THE COMPANY  
DULY CONVENED, CONSTITUTED AND HELD AT  
11am on Monday 29th July 2019**

**PRESENT:** Marie Collins                      Chairperson  
Michael Broderick  
Andrew O'Flanagan (per phone)  
Des Carville (per phone)  
Claire Solon  
Ken Slattery  
Grainne Hennessy

**APOLOGIES:**                      None

**IN ATTENDANCE:** Caroline Ensor                      Company Secretary  
Breda MacNamara                      NTMA Head of Compliance (items 4 and 5)  
Sean Alger                              Head of Credit and Risk, HBFI (items 8 to 13)  
Denise Donovan                      Head of Operations and Finance HBFI (item 14)

**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**  
**THIS ITEM HAS BEEN REDACTED IN PART**

In accordance with the provisions of Section 231 of the Act those directors present each declared that they had no interest 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.

At that point in the meeting the Head of Compliance in the NTMA gave a reminder to the Board members on their obligations in relation to conflicts of interest.

Claire Solon advised the Board of her recent appointment as CEO of Greystar commencing in October 2019. She gave a summary of the role and of Greystar and its positioning in residential development in Ireland.

**5. PERSONAL ACCOUNT TRANSACTION POLICY FOR BOARD MEMBERS**

Agenda item 7 was heard at that point, as the Head of Compliance in the NTMA was in attendance. She went through the important points of the Policy, including the primary restriction on Board Members, namely that they may not buy any HBFI financed property that has not been openly marketed, nor as an investment property. **IT WAS RESOLVED** that the policy was approved as presented. The Head of Compliance left the meeting

**6. MEETING MINUTES AND MATTERS ARISING**

**IT WAS RESOLVED THAT** the minutes of the Board meeting held on the 20th June 2019 as presented to the Board be approved and were signed by the Chairperson.

**7. BUSINESS UPDATE**

The Interim CEO presented the business update. It was noted that while the quantity of Expressions of Interest is down the quality received has improved. The Board requested that further information in relation to declines, and in particular the reasons for declines, be included in future business updates.

The Head of Credit and Risk joined the meeting.

**8. REPORTING LINES AND GOVERNANCE STRUCTURE IN HBFI AND HBFI(L)**

The Head of Credit and Risk presenting a paper clarifying the position in the organisation in respect of reporting lines. The Board welcomed the clarifications and **IT WAS RESOLVED** to approve the paper's contents as presented.

**9. DRAFT TERMS OF REFERENCE FOR THE HBFI CREDIT COMMITTEE**  
**THIS ITEM HAS BEEN REDACTED IN PART**

The Head of Credit and Risk presented the draft Terms of Reference for the HBFI(L) Credit Committee. Although that Committee is a HBFI(L) Committee the approval of Terms of Reference for any committee is a matter reserved to the Board of HBFI. The Board raised an issue with the definition of 'close Personal\Business Relationship' at part 2 and asked that the NTMA Head of

Compliance review that part to ensure it is aligned to other HBFI policy wording. The Board requested that the policy be recirculated to the Board with any amendments made thereto tracked thereon. **IT WAS RESOLVED** to approve the terms of reference as presented, subject to review by NTMA Head of Compliance.

#### **10. UPDATE TO THE HBFI DELEGATED AUTHORITY POLICY**

The Head of Credit and Risk presented a paper on updates required to the existing HBFI DA Policy. The primary changes were detailed in the Executive Summary, and included changes reflecting the establishment of the Credit Committee. **IT WAS RESOLVED** to approve the policy as presented subject to an amendment on page three of the quorum to 4.

#### **11. DRAFT TERMS OF REFERENCE FOR THE HBFI AUDIT AND RISK COMMITTEE**

The Head of Credit and Risk presented the draft Terms of Reference for the HBFI Audit and Risk Committee, which he confirmed has been reviewed by the Chairperson of that Committee. No queries were raised, and **IT WAS RESOLVED** to approve the draft terms of reference as presented.

#### **12. REPORT ON CREDIT & RISK FUNCTION**

The Head of Credit and Risk presented the paper, for discussion. He confirmed that HBFI currently has in place an end to end process documented in a guidelines document, and that a complete Lending Procedure will be presented to EMT for approval in January 2020.

The Board requested that all policies already approved by Board be made available on Boardpad and the Company Secretary said she would do this.

The Board complimented the quality of the paper presented and that it clearly set out the information requested by the Board.

#### **13. RISK REGISTER**

The Head of Credit and Risk presented the HBFI Risk Register for approval. . The Head of Credit and Risk advised the full risk register was being presented on this occasion as it was the first time same had been considered by the Board. Going forward it would go the Audit and Risk Committee and that the top risk would come to the Board.

The Board requested a heat map be produced to track changes to risk scoring.

The risk scoring given to resourcing was discussed noting that it is an on-going issue given the challenges in the labour market.

The query was raised as to whether Brexit has been considered as a risk to be included on the Register, and the Head of Credit and Risk confirmed it had been considered, and all applications are stress tested, but that it was not considered that Brexit amounted to a direct risk to HBFI's business.

**IT WAS RESOLVED** to approve the draft Risk Register as presented.



The Chair thanked The Head of Credit and Risk for all his inputs into today's meeting and prior meetings. The Head of Operations joined.

**14. PROFESSIONAL INDEMNITY INSURANCE**  
**THIS ITEM HAS BEEN REDACTED IN PART**

The Head of Operations presented a paper on Professional Indemnity Insurance. The Board discussed the benefits and cost of this insurance cover, and **IT WAS RESOLVED**. The Head of Operations confirmed that said premium may have changed to a small degree since the quote was provided, and the Board agreed that was in order.

**15. COMMUNICATION STRATEGY**

The Interim CEO presented a paper on HBFI's Communications strategy, for information. The Board requested that going forward this be divided into a stakeholder report and, separately a marketing strategy.

**16. AOB**  
**THIS ITEM HAS BEEN REDACTED IN PART**

The following matters for discussion were raised under AOB:

- i. The terms of reference for the Remuneration Committee. The Company Secretary confirmed she had spoken to the Chairperson of that Committee and that these terms of reference are not ready as require input from the NTMA as HBFI staff are NTMA employees and so are bound by NTMA remuneration policies. The NTMA will need to review the HFBI draft terms of reference for the HBFI Remuneration Committee.
- ii. The Interim CEO confirmed that attendance at the National Ploughing Championships has been considered and the costs explored, but that ultimately the attendees would not be HBFI's target market.
- iii. Rates exemption . The Interim CEO confirmed that it is hoped that the rates exemption secured for Treasury Building would also apply to Treasury Dock given it is a state entity in the same local authority district.
- iv.
- v. The Interim CEO confirmed that this would be his last Board Meeting and he thanked the Board. The Chairperson thanked the Interim CEO for his contributions to the Board and acknowledged the extraordinary progress achieved by him at as Project Lead and then Interim CEO of HBFI and noted the Board looked forward to continuing to work with him as Chief Commercial Officer.

**CLOSE**

There being no further business the meeting then terminated.

**HOME BUILDING FINANCE IRELAND {THE "COMPANY"}**

**MINUTES OF A MEETING OF THE  
BOARD OF DIRECTORS OF THE COMPANY  
DULY CONVENED, CONSTITUTED AND HELD AT  
2pm on Thursday 19th September 2019**

**PRESENT:** Marie Collins                      Chairperson  
Andrew O'Flanagan  
Des Carville  
Claire Solon  
Ken Slattery  
Grainne Hennessy  
Dara Deering

**APOLOGIES:**                      None

**IN ATTENDANCE:** Caroline Ensor                      Company Secretary  
Denise Donovan                      Head of Operations and Finance HBFI (items 6,8 &  
9)  
Sean Alger                              Head of Credit and risk, HBFI (item 6)  
Michael Broderick                      Chief Commercial Officer, HBFI (item 10)  
Mike O'Halloran                      CEO, Fexco Asset Finance (item 6)  
Margaret McGuire, Group Legal, Fexco (item 6)  
Kay Galvin                              Head of Operations, Fexco Asset Finance (item 6)

**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 the provisions of Section 231 of the Act those directors present each declared that they had no interest 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.

For the purposes of Section 231 of the Act and the Constitution of the Company, there were no material interests declared by the directors present at the meeting in the business to be transacted at the meeting.

#### **5. MEETING MINUTES AND MATTERS ARISING**

**IT WAS RESOLVED THAT** the minutes of the Board meeting held on the 29th July 2019 as presented to the Board be approved and were signed by the Chairperson.

Denise O'Donovan, and Sean Alger joined the meeting.

##### **6.1 FEXCO: Presentation by Denise Donovan.**

Denise Donovan provided an overview of the services provided by Fexco to HBFI and the level and scope of the specific services provided to date. She also detailed the oversight HBFI have over services performed by Fexco. She confirmed that an Operations Manual and HBFI specific policies have been agreed.

Mike O'Halloran, Margaret McGuire and Kay Galvin joined the meeting.

##### **6.2 FEXCO: Presentation by Fexco.**

Margaret Maguire provided some background to and an overview of the wider Fexco organisation, and Mike O'Halloran gave an overview on Fexco Asset Finance. Kay Galvin outlined specifics in relation to the work Fexco does for HBFI including that employees have been trained specifically in relation to HBFI work. She gave detail on, inter alia, opening accounts , operating accounts, accessing reports, monthly reporting, and making CCR submissions. The Chair invited queries from the Board. Kay answered queries from the Board in relation to checks carried out prior to drawdown and also in relation to who has responsibility for compliance in the organisation.

Denise, Sean, Mike, Margaret and Kay left the meeting

#### **7. UPDATE FROM THE AUDIT AND RISK COMMITTEE.**

Ken Slattery, Chairman of the Audit & Risk Committee provided an update in relation to all matters covered by the first Audit & Risk Committee meeting held earlier in the day. Following a question from the Board, he confirmed that the first audit carried out by the internal auditors would likely be an end to end review of processes and procedures, and that a suggested second audit is likely to be themed, for example on the drawdown process.

Denise re-joined the meeting.

## **8. CHOICE OF ACCOUNTING FRAMEWORK**

Denise presented this paper, taking it as read, and confirmed she had presented the recommended choice of accounting framework to the Audit and Risk Committee earlier in the day, and that that Committee were recommending the adoption of the Irish GAAP to the Board.

Denise made the following two points, in addition to the information contained in her paper:

- i. the draft Impairment Policy is going to the Board in November.
- ii. If HBFI wishes to go to the market for funding, it can amend its choice of accounting framework to IFRS.

The Board requested that the advice provided by Deloitte on this matter be circulated to the Board.

**IT WAS RESOLVED** to approve the Irish GAAP accounting Framework.

## **9. INTERIM FINANCIAL STATEMENTS**

Denise presented the HBFI Interim Financial Statements for noting. She confirmed that there is no statutory obligation to provide interim statements but rather the obligation arises under the Code of Conduct for the Governance of State Bodies.

She confirmed that going forward Interim Financial Statements will be presented to Board for approval.

The interim financial statements were noted by the Board.

Denise left the meeting. Michael Broderick, Chief Commercial Officer joined the meeting.

## **10. BUSINESS UPDATE**

### **THIS ITEM HAS BEEN REDACTED IN PART**

The Chief Commercial Officer (CCO) provided the Board with an update from the business. He took the paper as being read and brought the Board's attention to the highlights including:

- i.
- ii. There has been a noted slowdown in the Dublin residential property market based on feedback from stakeholder meetings in recent weeks.
- iii. According to the CSO, the number of planning permissions for apartments has gone up.

The Board enquired as to how applicants who were declined responded and it was confirmed that largely they were not surprised based on the on-going engagement with the applicants.

The Board asked that new columns be added to the business update figures to include 'facility approved date' and 'amount available' in relation to the relevant phase.  
Michael left the meeting.

#### **11. STRATEGIC PLAN 2020-2025**

Dara Deering, CEO presented a proposal on the development of HBFI Strategic Plan for 2020- 2025, which details the strategic planning process to be implemented with regular touch points with the Board, and invited questions from the Board.

The Board asked who would complete the Strategic Review and she confirmed HBFI will do it itself, it is not planned to employ external consultants.

The process was welcomed by the Board and noted a proposed Strategic Planning Day for the Board in early 2020.

Dara Deering excused herself for the next item.

#### **12. APPOINTMENT OF CHIEF EXECUTIVE OFFICER TO BOARD OF HBFI(L)**

The Company Secretary confirmed that Michel Broderick had submitted his resignation to the Chairperson in writing, and said resignation was effective as of the 18th of October 2019, so at no time as there more than the permitted 7 Directors.

**IT WAS RESOLVED** to appoint Dara Deering, CEO, to the Board of HBFI(L). Dara re-joined the meeting.

#### **13. APPOINTMENT OF NOMINATED PERSON**

The Board noted that, pursuant to Section 17(1) of the HBFI Act, the Chairperson has nominated Dara Deering as the "nominated person" to replace Michael Broderick in carrying out the duties set out under section 17(2) of the HBFI Act.

#### **14. AOB**

##### **THIS ITEM HAS BEEN REDACTED IN PART**

The following matter was raised under AOB:

- i. The Company Secretary updated the Board on the Terms of Reference for the Remuneration Committee. Once this has been amended as appropriate to HBFI, it will be sent to NTMA HR for review, and then presented to the Board for approval.

#### **CLOSE**

There being no further business the meeting then terminated.

**HOME BUILDING FINANCE IRELAND {THE "COMPANY"}**

**MINUTES OF A MEETING OF THE  
BOARD OF DIRECTORS OF THE COMPANY  
DULY CONVENED, CONSTITUTED AND HELD AT 2pm on  
Thursday 17th October 2019 in meeting room MR 08.04 Treasury Dock, Dublin 1.**

**PRESENT:** Marie Collins                      Chairperson  
Andrew O'Flanagan  
Des Carville  
Claire Solon  
Ken Slattery  
Dara Deering (CEO)

**APOLOGIES:** Grainne Hennessy

**IN ATTENDANCE:** Caroline Ensor                      Company Secretary  
Michael Broderick                      Chief Commercial Officer, HBFI (item 7)  
Sean Alger                                  Head of Credit and Risk, HBFI (items 8 & 9)  
Breda MacNamara                      NTMA Compliance, (Item 12)  
Sinead Flanagan                        NTMA Compliance (Item 12)

**I. 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 the provisions of Section 231 of the Act those directors present each declared that they had no interest 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.

For the purposes of Section 231 of the Act and the Constitution of the Company, there were no material interests declared by the directors present at the meeting in the business to be transacted at the meeting.

#### **5. MEETING MINUTES AND MATTERS ARISING**

The minutes were approved subject to a minor change under item 9 which was agreed by the Board. **IT WAS RESOLVED THAT** the minutes of the Board meeting held on the 19th of September 2019 be approved as amended and were signed by the Chair person.

#### **6. CEO UPDATE**

The CEO outlined all recent meetings with external stakeholders that she has attended including builders, Approved Housing Bodies and other alternative lenders.

She outlined work being done in relation to strategy and confirmed that a paper on external analysis and stakeholder engagement will go to the Board in November. She updated the Board on feedback from stakeholder engagement sessions held thus far.

A general discussion was held on "Smart Working", and it was confirmed to the Board that HBFI are in the process of putting in place a Smart Working charter.

The Chief Commercial Officer (CCO) joined the meeting.

#### **7. BUSINESS UPDATE**

The CCO provided the Board with an update on the numbers of expressions of interest and full applications received, as well as advising on the pipeline of applications. The CCO outlined challenges in the market impacting consumer confidence which include Brexit, the upcoming budget, and the uncertainty prior to the confirmation of the extension of the "Help-to-Buy" scheme.

He then outlined upcoming stakeholder events. The CCO left the meeting.

#### **8. AMENDED DELEGATED AUTHORITY (DA) POLICY and TERMS OF REFERENCE FOR THE EMT CREDIT COMMITTEE.**

The Head of Credit and Risk (HoCR) joined the meeting.

The Chair advised that while the detailed paper be taken as read, she asked that the HoCR to go through the proposed changes for the Board. The amended DA Policy and Terms of Reference for the EMT Credit Committee were discussed in detail including the composition of the proposed EMT

Credit Committee, other comparable DA policies, and also the escalation policy (one up) outlined therein.

The Board agreed that the composition of the HBFI(L) Credit Committee be left as currently constituted and this will be reviewed in line with a review of the DA policy in 6 months' time.

The HoCR confirmed that a summary of cases heard by the EMT Credit Committee would go to the Board of HBFI(L) at its meeting following EMT Credit Committee meetings. The Board asked that a template of said report be brought to it, and furthermore to check the reporting requirements of the Credit Committee meetings.

It was agreed to approve the EMT Credit Committee Terms of Reference and the CEO (or Head of Credit & Risk in her absence) as Chairperson of EMT Credit Committee.

It was agreed to refer credit proposals to the HBFI(L) Credit Committee or Board in the event of any significant issues raised by a member of the EMT Credit Committee.

**IT WAS RESOLVED** to approve the Amended DA Policy and the Terms of Reference for the EMT Credit Committee, subject to those amendments detailed above.

## **9. RISK- STANDING ITEM**

The HoCR updated the Board as follows:

- i. In respect of the uncertainty surrounding the "Help-to-Buy" scheme, the clarification in the budget was welcome and removes the need for a full review of all approved sale prices.
- ii. Brexit. One potential impact for HBFI is that all construction product certification for products from UK or including Northern Ireland will require certification in EU post Brexit.
- iii. An abbreviated risk register is to go the Audit & Risk Committee and Board in December 2019.
- iv. Report on performance against Key Risk Parameters set out in the Risk Appetite Statement will be presented to the Audit & Risk Committee and Board in December 2019.
- v. No operational risks were reported in September 2019.

The HoCR left the meeting.

## **10. BOARD PLAN 2020**

Following discussion, the Board agreed a high-level board plan for 2020, incorporating all regulatory, compliance, strategic and operational issues for the governance of the Company. **IT WAS RESOLVED** that eight Board meetings, in addition to a strategy day, will be held in 2020. The Chair reminded members that while these were the scheduled dates there could well be adhoc HBFI Board meetings required during the year.

The Board noted proposed dates for Audit & Risk committee meetings and agreed that dates for HBFI(L) Board and the Credit Committee would be arranged as required.



**11. INTEREST ON ISIF LOAN FACILITY  
THIS IS ITEM HAS BEEN REDACTED IN FULL**

**12. EUROPEAN UNION (ANTI MONEY LAUNDERING: BENEFICIAL OWNERSHIP  
OF CORPORATE ENTITIES) REGULATIONS 2019**

The Head of NTMA Compliance summarised the key points contained in the briefing paper on HBFI's obligations to maintain a Beneficial Ownership Register and to submit the information contained therein to a central Register of Beneficial Owners (RBO) operated by the Companies Registration Office. She further advised that in the case of HBFI, the register and information submitted to the RBO will comprise that of its senior management officials (SMOs). The Board noted that, while not definitively defined in the legislation, the advice of HBFI's external legal adviser is that it should comprise all of the members of the board including the CEO.

**13 AOB**

Nothing was raised under AOB.

**CLOSE**

There being no further business the meeting then terminated.

**HOME BUILDING FINANCE IRELAND (THE "COMPANY")**

**MINUTES OF A MEETING OF THE  
BOARD OF DIRECTORS OF THE COMPANY  
DULY CONVENED, CONSTITUTED AND HELD AT 2pm on  
Thursday 21st November 2019 in meeting room MR 00.01 Treasury Dock, Dublin 1.**

**PRESENT:** Marie Collins                      Chairperson  
Dara Deering  
Andrew O'Flanagan  
Des Carville  
Claire Solon  
Ken Slattery  
Grainne Hennessy

**APOLOGIES:**                      None

**IN ATTENDANCE:** Caroline Ensor                      Company Secretary  
Michael Broderick                      Chief Commercial Officer, HBFI (items 1- 7)  
Sean Alger                                  Head of Credit and Risk, HBFI (items 12, 13 & 14)  
Paula Flinter                                Head of Legal, HBFI (items 9, 10 & 11)  
Denise Donovan                         Head of Finance and Operations, HBFI (item 15)

**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 the provisions of Section 231 of the Act those directors present each declared that they had no interest 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.

For the purposes of Section 231 of the Act and the Constitution of the Company, there were no material interests declared by the directors present at the meeting in the business to be transacted at the meeting.

#### **5. MEETING MINUTES AND MATTERS ARISING**

**IT WAS RESOLVED THAT** the minutes of the Board meeting held on the 17th of October 2019 be approved subject to minor amendments.

#### **6. STRATEGY**

**THIS ITEM HAS BEEN REDACTED IN PART**

The CEO and CCO presented an update on the on-going strategy review to the Board. The CEO and CCO brought the Board's attention to certain items in the paper that was pre circulated to the Board.

- The CCO outlined Management's best estimate of the house building funding gap for Ireland over the coming years, with an explanation as to how that figure was arrived at.
- 
- Information on the main participants in the market, and the types of houses being built and the size of developers that are active was shared.

Following debate and discussion on the demand for, and risks of each, the Board agreed that further information in relation to all three items would be further explored and brought to the Board Strategy day in January 2020. It was also agreed that;

The Board acknowledged the work and the significant stakeholder engagement to date and welcomed further engagement in January.

#### **7. BUSINESS UPDATE**

**THIS ITEM HAS BEEN REDACTED IN PART**

The CCO provided the Board with an update on the business pipeline focussing on the additional information requested by the Board at its last meeting. Notwithstanding this he confirmed that the average approval time is being monitored to look at ways to improve this metric.

The CCO left the meeting.

## **8. BOARD PLAN 2020**

The Company Secretary presented the Board Plan for 2020, which detailed the scheduled dates, and what is intended to be presented at each meeting, for information. She confirmed that the Board Plan is a live working document and that it will be updated as required, and that further HBFI meetings will be convened if necessary, and that HBFI(L) meetings will also be held as required.

## **9. AMENDED RESERVED MATTERS FOR BOARD OF HBFI**

The Head of Legal joined the meeting.

The Company Secretary and Head of Legal presented a paper attaching a schedule of amended reserved matters with the proposed changes made, since the Board approved the original reserved matters on the 12th December 2018, tracked thereon. IT WAS RESOLVED to approve the amended reserved matters for the Board of HBFI, and the Board directed that a new standing item be added to the Board's Agenda going forward, namely that a confirmation is provided to the Board that no decisions have been made by the business, since the date of the last Board meeting, where such decision was the subject of a reserved matter.

The Board requested that the Company Secretary upload a copy of the new schedule of reserved matters to Boardpad.

## **10. THE CODE OF PRACTICE FOR THE GOVERNANCE OF STATE BODIES ("the Code"), AND ADAPTATION OF THE CODE TO HBFI.**

The Company Secretary and Head Of Legal presented a paper requesting the Board to consider (i) the Draft Letter of Expectation, for noting, (ii) Appendix 1 to the Shareholder Letter of Expectation which outlines the proposed adaptations to the Code, for approval, and (iii) Appendix 2 to the Letter of Shareholder Expectation which sets out the HBFI Reporting Arrangements, for noting .

The Company Secretary confirmed that the proposed adaptations would be reconsidered when the terms of reference for the HBFI Remuneration Committee were finalised in case further changes were required, and that the draft adaptations would be brought back to the Board if such further changes are required.

The Board asked the Company Secretary to review and confirm at the next Board meeting if any further adaptations were required.

## **11. EXECUTION POLICY AND PROCEDURE**

The Head of Legal presented the matter listed as (ii) under AOB next. The Head of Legal provided the background to this item and brought the Board's attention to the important parts of the Policy and Procedure. Following discussion, it was decided to approve as presented, therefore **IT WAS RESOLVED** to approve the draft HBFI Execution Policy and Procedure as presented .

The Head of Legal left the meeting.

## **12. RISK**

### **THIS ITEM HAS BEEN REDACTED IN PART**

The Head of Credit and Risk (HoCR) joined the meeting. He gave the following update on Risk.:

(i) Reporting.

The HoCR confirmed that the following reports will be going to each Board meeting starting in December 2019;

- Loans approved by EMT & HBF1 (L) credit committees
- Declined loans
- Exceptions to policy
- Watch list and impaired loans
- Account review schedule

He also confirmed that the following reports will be going to the Audit & Risk Committee on a quarterly basis:

- The Risk Appetite KPI Summary Report
- Risk Report including Key Risks from Risk Register and movement since last report.

Finally, he confirmed that a Portfolio Report in addition to the above reports will also be presented to the Board on a quarterly basis.

(ii)

(iii) Operational Reporting

The HoCR confirmed that there were no operational events to report since the last Board meeting.

## **13. THIRD PARTY RISK POLICY**

### **THIS ITEM HAS BEEN REDACTED IN PART**

The HoCR explained that this policy takes into account the Central Bank of Ireland survey and findings on outsourcing.

**IT WAS RESOLVED** to approve the Third-Party Risk Policy.

Des Carville left the meeting due to a prior engagement.

## **14. SAMPLE REPORT OF CREDIT DECISIONS**

The HoCR presented the matter listed on the Agenda as number (i) under AOB next, for information and as requested by the Board at its last meeting. He went through the important information points contained in the report. He provided additional information in respect of one of the declined loans reported, for the Board's information. Following a query from the Board it was confirmed that going forward the reports will only contain information on loans since the last report was presented to Board, i.e. the updated position only.

The HoCR left the meeting.

**15. PROCUREMENT POLICY**

The Head of Operations and Finance joined the meeting.

She confirmed that HBFI now manages its own procurement and that this policy largely reflects the NTMA Procurement Policy. It was confirmed that exceptions to Procurement Policy would be reported to the Audit and Risk Committee.

**IT WAS RESOLVED** to approve the HBFI Procurement Policy.

**16. AOB**

No other items were raised under AOB; those items scheduled having been dealt with at numbers 11 and 13 above.

**CLOSE**

There being no further business the meeting then terminated.