

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

**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS
OF THE COMPANY (“Board”)
DULY CONVENED, CONSTITUTED AND HELD
AT 12PM ON THURSDAY 23 FEBRUARY 2023
AT TREASURY DOCK, NORTH WALL QUAY, DUBLIN 1
VIA CONFERENCE CALL**

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

APOLOGIES Claire Solon

IN ATTENDANCE Denise Donovan, Head of Operations & Finance (HoOF) (Items 8 and 9)
Sean Alger, Head of Credit & Risk (HoCR) (Items 11, 12, 13, and 14)
Deirbhile Brennan, NTMA Head of Compliance (HoC) and Sinead Flanagan,
NTMA Senior Compliance Manager (SCM) (Items 15 and 16)
Paula Flinter, HBFI Head of Legal (HOL) (Items 10 and 15)
Sinéad Brennan, Chief People Officer, NTMA (Item 21)
*Ros O’Shea, Board Excellence (for observation purposes only)
Cecilia Fourie, Company Secretary (CS)

1. NOTICE AND QUORUM

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

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

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

3. DISQUALIFICATION AND RESTRICTION ORDERS AND UNDERTAKINGS

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

4. DECLARATIONS OF INTEREST

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

5. CONFIRMATION IN RELATION TO RESERVED MATTERS

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

6. MEETING MINUTES AND MATTERS ARISING

The Board NOTED that draft minutes of the meeting of the Board held on the 15 December 2022 had been circulated to the Board members in advance of the meeting and it WAS RESOLVED that the minutes of the meeting be APPROVED subject to incorporation of minor amendments.

7. CEO UPDATE

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

- **THIS ITEM HAS BEEN REDACTED IN PART.**
- The Department of Finance’s (“**Department**”) review of ISIF Funding rate was near completion;
- An update on the participation with the Department Working Group on ‘Drivers of the cost and availability of finance’ Report; and
- Business performance to date and stakeholder engagement.

The CEO’s Update was NOTED by the Board.

8. ACTUAL PERFORMANCE FOR 2022 – FINANCIAL AND KPIs

The HoOF joined the meeting and presented a summary of the report. The HoOF provided a summary of the draft results of the financial performance for 2022.

The HoOF provided a summary of the draft results of the strategic goals and related key performance indicators (“**KPIs**”) for 2022.

The full year Financial Performance and KPIs for 2022 were NOTED by the Board.

9. STRATEGIC KPIs 2023

The HoOF presented the strategic KPIs for 2023 for approval and advised that the budget and discussion from the strategy day were taken into account in drafting the KPIs. The HoOF noted that the climate action roadmap will be added to the KPIs.

Following a query from a Board Member, the Board collectively discussed the financial KPIs which reflect market conditions. It was noted that while the KPIs have been set based on the approved budget and HBFI will continue to pursue all viable developments.

Following a detailed discussion and careful consideration, the Board APPROVED the proposed KPIs as presented.

10. CLIMATE ACTION ROADMAP

The HOL joined the meeting and presented a paper on the requirement to submit a climate action roadmap (“**Roadmap**”) for noting and approval. The HOL provided the background and requirements of implementing a Roadmap following the issuance of the public sector climate action mandate. The HOL confirmed that following extensive engagement with the NTMA and other Affiliates, that a single Roadmap would be submitted to the SEAI subject to Board Approval.

The proposal to submit a Roadmap as presented was APPROVED and items 2-6 inclusive were NOTED as by the Board.

The HOL left the meeting.

11. RISK

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

i Risk Report

The HoCR presented the risk report for the period ended 31 December 2022. The HoCR highlighted the key matters outlined in the report and advised that no changes were proposed to either the risks or the risk ratings for this period and noted that one further column was introduced to the risk register which classifies whether a control is preventive or detective.

THIS ITEM HAS BEEN REDACTED IN PART.

ii Risk Management Plan for 2023 (for approval)

The HoCR presented the risk management plan for 2023 for approval. The HoCR highlighted the key matters and advised that the Audit and Risk Committee (the “**ARC**”) reviewed the plan and quarterly updates will be provided to the ARC during the year. The HoCR confirmed that the 2022 plan was fully completed. The Chairperson of the ARC confirmed that the ARC recommended the plan for approval.

iii Portfolio Report

The HoCR presented the Report and highlighted the key matters including an update on the watchlist cases.

iv Risk Appetite KPIs

The HoCR advised that there were no matters to bring to the attention of the Board for this item.

v Credit Decisions Report

The HoCR provided an overview of the credit decisions made since the last report.

vi Account Review Schedule

The HoCR confirmed that all account reviews were up to date.

The Reports at 11 (i) to (vi) inclusive were NOTED by the Board and the Risk Management Plan for 2023 was APPROVED by the Board.

12. THIS ITEM HAS BEEN REDACTED IN FULL

13.ANNUAL REVIEW OF THE EFFECTIVENESS OF SYSTEMS OF INTERNAL CONTROL

The HoCR presented this review and confirmed that no weaknesses in the systems of internal control were identified that require disclosure in the financial statements. The Chairperson of the ARC confirmed that the ARC considered the review in detail at the earlier meeting and recommend it for approval.

Following careful consideration, the Board APPROVED the Annual Review of the Effectiveness of Systems of Internal Control.

14.MONITORING SURVEYOR FRAMEWORK AGREEMENT

The HoCR presented a paper seeking Board approval to enter into two new monitoring surveyor framework agreements for monitoring surveyor services following a public procurement process conducted by NTMA Procurement. The HoCR confirmed that each framework agreement will be for a period of 4 years subject to annual review.

The HoCR confirmed that following a public procurement process it was proposed that Home Building Finance Ireland (Lending) DAC (“**HBFI(L)**”) enter into framework agreements with:

- Monitoring surveyor services for loans that are principally housing developments. It is proposed to enter into framework agreements with seven firms who will be required to submit all qualifying documentation; and
- Monitoring surveyor services for loans that are principally apartment/high density/high rise residential developments and developments with a high level of complexity. It is proposed to enter into framework agreements with six firms who will be required to submit all qualifying documentation

(together “the **Framework Agreements**”).

The HoCR confirmed that the Board of HBFI(L) as the contracting party, would also be required to approve entry into the Framework Agreements and that the existing Panel 3 would be retained.

Following careful consideration, the Board APPROVED entering into the Framework Agreements being contracts with a potential value of over €1m (which is a reserved matter for the Board of HBFI) subject to the names of the entities being circulated post the meeting and confirmation that Board members did not have any conflict with those entities.

The HoCR left the meeting.

15.STATUTORY OBLIGATIONS UPDATE – ANNUAL REVIEW

The HOC, SCM and HOL joined the meeting. The HOC and HOL jointly presented the annual statutory obligation update focusing on material new or changed obligations.

The annual statutory obligations update was NOTED by the Board.

The HOL left the meeting.

16.COMPLIANCE MATTERS

16.1. PA Transaction Policy for Members of the HBFI Boards and Committees

The SCM presented the scheduled review of this Policy and advised that no material changes were proposed.

Following a detailed discussion, the Board REQUESTED that the Policy be tabled for approval at the next scheduled meeting to allow for further consideration.

16.2. Code of Conduct for member of HBFI and HBFI(L) Boards and Committees

The SCM presented the scheduled review of this Code and advised that minor changes were proposed as per the tracked document.

Following careful consideration, the Board APPROVED the scheduled review and the proposed changes.

The SCM and HOC left the meeting.

17.UPDATE FROM THE ARC

The Chairperson of the ARC provided a verbal update on the items which were discussed at the meeting of the ARC earlier that day which were NOTED by the Board.

18.EMT CREDIT COMMITTEE TERMS OF REFERENCE

The Board noted the scheduled review of the EMT Credit Committee Terms of Reference and the proposed amendments.

The Board APPROVED the review of the EMT Credit Committee Terms of Reference.

19.HBFI(L) CREDIT COMMITTEE TERMS OF REFERENCE

The Board noted the scheduled review of the HBFI(L) Credit Committee Terms of Reference and the proposed amendments which was approved by the HFBI(L) Board at a meeting on 21 December 2022.

The Board NOTED the review of the HBFI(L) Credit Committee Terms of Reference.

20.REMUNERATION COMMITTEE TERMS OF REFERENCE AND REMUNERATION POLICY

The Board noted the scheduled reviews of the Remuneration Committee Terms of Reference and the Remuneration Policy noting that no changes were proposed and was recommended by the Remuneration Committee.

The Board APPROVED the reviews of the Remuneration Committee Terms of Reference and the Remuneration Policy. The Remuneration Committee provided a verbal update on the items which were discussed at a meeting held on 21 February 2023 which was NOTED by the Board.

21.HR PAPER

Sinéad Brennan, Chief People Officer, NTMA (“CPO”) joined the meeting and provided a confidential paper to the Board. This Agenda item is minuted separately.

22.AOB

No matters were raised under AOB.

CLOSE

There being no further business the meeting was closed.

Chairperson