

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

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

**DULY CONVENED, CONSTITUTED AND HELD AT 12.30pm on  
Thursday 11<sup>th</sup> November 2021 per videoconference due to Covid-19 restrictions.**

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

**APOLOGIES** None

**IN ATTENDANCE** Michael Broderick, Chief Commercial Officer, HBFI (items 1-8)  
Denise Donovan, Head of Operations and Finance, HBFI (item 9)  
Sean Alger, Head of Credit and Risk, HBFI (items 1-12)  
Deirbhile Brennan, Head of Compliance NTMA (item 15)  
Sinead Flanagan, MLRO (item 15)  
Caroline Ensor, Company Secretary

**1. NOTICE AND QUORUM**

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

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

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

**3. DISQUALIFICATION AND RESTRICTION ORDERS AND UNDERTAKINGS**

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

notice concerning a disqualification or restriction undertaking under Part 14, Chapter 5.

#### 4. **DECLARATIONS OF INTEREST**

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

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

It was resolved that the minutes of the Board meeting held on 13<sup>th</sup> October 2021 were approved as presented.

#### 6. **CONFIRMATION IN RELATION TO RESERVED MATTERS**

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

#### 7. **CEO UPDATE**

The CEO provided the following updates:

- The Agenda for the Board Strategy Day on the 13<sup>th</sup> January 2022, once finalised will be circulated to the Board. She advised that the strategy review is well progressed and that Michael Broderick, Chief Commercial Officer (“**the CCO**”) will cover stakeholder engagement and market analysis later on in the meeting.
- The MEOP Report on HBFI cost of funding undertaken on behalf of the Department of Finance has been finalised, and the recommendations are being considered by the Dept.
- **THIS ITEM HAS BEEN REDACTED IN PART**

#### 8. **STRATEGY CHECK IN – MARKET ANALYSIS AND STAKEHOLDER ENGAGEMENT**

The CCO opened this item and provided the following overview of the market:

- The demand for new homes has been estimated at between 28k and 38k per annum, per slide 4 of his presentation.
- Over 50% of developments in 2020 were for less than 10 units as per slide 5.
- In Dublin, the majority of developers were operating in the 10-50-unit segment in 2020.

The CEO discussed the competitive landscape highlighting the following:

- **THIS ITEM HAS BEEN REDACTED IN PART**
- There has been a number of changes within the ‘Alternative Lender’ segment of the market including existing Lenders getting more funding, a new entrant to the market and an increase in overall risk appetite for residential development funding.
- **THIS ITEM HAS BEEN REDACTED IN PART**

**THIS ITEM HAS BEEN REDACTED IN PART**

The CCO left the meeting.

**9. QUARTERLY FINANCIAL REPORT**

Denise Donovan, Head of Operations and Finance in HBFI (“**HoOF**”) joined the meeting and presented the Quarterly Financial Report for Q3 2021. **THIS ITEM HAS BEEN REDACTED IN PART**

The Quarterly Financial Report was Noted by the Board and the HoOF left the meeting.

**10. RISK**

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

- 10 (i) Risk Appetite KPIs – the HoCR advised of no material changes to this.
- 10 (ii) Credit Decisions Report – the HoCR brought two amendments approved by EMT Credit Committee to the Board’s attention.
- 10(iii) Account Review Schedule – the HoCR advised the Board that all reviews are up to date noting that one would be presented to the HBFIL meeting immediately after this meeting.

**THIS ITEM HAS BEEN REDACTED IN PART** However, due to the ongoing uncertainty on future costs and supply chain issues, individual accounts will continue to be monitored through the drawdown process and regular reviews will be undertaken at a portfolio level.

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

Finally, the HoCR advised the Board that he had no new emerging risks to report to the Board.

The Risk Update was NOTED by the Board.

**11. DA POLICY**

The HoCR presented the annual review of the HBFI Delegated Authority Policy, with proposed material changes which he summarised for the Board as follows:

**THIS ITEM HAS BEEN REDACTED IN PART**

It was RESOLVED to APPROVE the review of, and proposed amendments to the HBFI Delegated Authority Policy.

**12. TERMS OF REFERENCE FOR THE HBFIL CREDIT COMMITTEE**

The Company Secretary presented the annual review of the Terms of Reference for the HBFIL Credit Committee. The document presented contained tracked proposed amendments.

It was RESOLVED to APPROVE the review of, and proposed amendments to, the Terms of Reference for the HBFIL Credit Committee as presented.

The HoCR left the meeting.

### **13. PERSONAL ACCOUNT TRANSACTION POLICY FOR HBFI BOARD AND COMMITTEES**

The Company Secretary presented a proposal that the annual review of the HBFI Personal Account Transaction Policy, which fell due in September, be deferred until February 2022. The Company Secretary confirmed that NTMA Compliance, who are the authors of the Policy, have advised that the staff PA transaction policy and restricted securities list are being reviewed at an NTMA level, and that they would prefer to align the review of all related policies.

It was RESOLVED to APPROVE that the review of the HBFI Personal Account Transaction Policy be deferred until February 2022.

### **14. HBFI AND HBFI(L) GOVERNANCE FILE.**

The Company Secretary presented the annual review of the HBFI and HBFIL Governance File. She outlined to the Board who had reviewed this document and advised the updated Governance File would be made available to the Board of BoardPad, together with all appendices in a dedicated Reading Room.

The Chairperson commented that this was a good document to have with useful resources for the Board available in one location. It was RESOLVED to APPROVE the annual review of the HBFI Governance File.

### **15. ANNUAL COMPLIANCE REFRESHER TRAINING**

Deirbhile Brennan, NTMA Head of Compliance (“**HoC**”) and Sinead Flanagan, Senior Compliance Manager and Money Laundering Reporting Officer (“**MLRO**”) joined the meeting. The HoC and MLRO delivered their presentation drawing attention to certain points including, inter alia:

- sources of confidentially obligations which apply in perpetuity
- a reminder that HBFI records are subject to FOI
- the importance of prompt reporting of any data breach to Philip Bowler, the HBFI Data Protection officer
- obligations in relation to the ongoing and annual disclosure of interests with practical guidance on how to deal with conflicts of interest, whether material or perceived, in respect of HBFI Board and Committee meetings
- certain obligations under the Ethics Act, the taking up of other appointments, lobbying, gifts and hospitality and market abuse
- a brief update on Anti Money Laundering and Counter Terrorist Financing obligations on designated persons, including beneficial ownerships requirements

Following an invitation for questions, the CEO confirmed that all of the HBFI Team complete annual AML training.

The HoC and MLRO left the meeting.

**16. NON-EXECUTIVE SESSION**

The CEO and Company Secretary left the meeting, leaving only the non-executive Directors present.

**17 AOB**

No matters were raised under AOB

**CLOSE**

There being no further business the meeting was closed.

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Chairperson