

HOME BUILDING FINANCE IRELAND (THE “COMPANY”)

**MINUTES OF A MEETING OF THE BOARD OF
DIRECTORS OF THE COMPANY**

**DULY CONVENED, CONSTITUTED AND HELD AT 12.30pm on
Thursday 16th April 2020, per teleconference, due to Covid-19 restrictions.
ALL ATTENDED BY PHONE**

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

APOLOGIES None

IN ATTENDANCE Michael Broderick, Chief Commercial Officer, HBFI.
Sean Alger, Head of Credit and Risk, HBFI.
Paula Flinter, Head of Legal, HBFI. (item 7)
Philip Bowler, NTMA Compliance. (items 10 (vii) and (viii))
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 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 which would preclude them from participating in the meeting and forming part of the necessary quorum.

**5. MEETING MINUTES AND MATTERS ARISING
THIS ITEM HAS BEEN REDACTED IN PART**

IT WAS RESOLVED THAT the minutes of the Board meeting held on 2nd April 2020 be **APPROVED** as presented.

The CEO gave the Board updates on the 3 actions points as follows:

- i. Health and Safety of HBFI employees while working at home.
The CEO has discussed this with NTMA HR and confirmed that appropriate actions have been taken.
- ii.
- iii. The Chairperson's Report to Minister for Finance as required by the Code of Practice for the Governance of State Bodies. This is currently being drafted. This action point is to remain open.

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

The CEO provided the following updates to the Board:

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- Amendments to the ISIF facility as previously discussed at the Board are close to finalisation and will be presented to the Board on the 23rd April 2020.
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- Contacts and engagements with all stakeholders have increased in light of Covid-19.
- New expressions of interest are still being received despite market uncertainty.

7. THIS ITEM HAS BEEN REDACTED IN FULL

8. ISIF

As was confirmed to the Board prior to the meeting, this item was moved to the Board meeting on the 23rd April 2020, and that papers for this item will shortly be made available to the Board.

9. RISK UPDATE

The HoCR presented the following three papers, for noting:

(a) Risk Report

Due to Covid -19 risk ratings have increased in respect of five risks, and one new risk has been added.

This review is at a point in time and will be kept under review as the impact of COVID-19 evolves over the coming weeks and months. It was noted that HBFI has introduced a

number of initiatives to mitigate the risks as previously discussed with the Board and there are no further mitigants at this time.

(b) Risk Appetite KPIs

These remain unchanged since last reviewed by the Board.

(c) Credit Decisions

None reportable per the report presented.

The Board Noted the Risk update.

10. POLICIES FOR REVIEW

The HoCR presented policies (i) to (vi) for Approval reflecting updates to the policies and new products due to be launched. Taking each policy individually, the HoCR highlighted important changes for the Board.

i. Risk Appetite Statement.

The changes include an increase in the maximum single borrower exposure to €75m for apartments and the new 'S' credit grade and the Risk Appetite Measure for LTC has been changed to a 'maximum weighted average' for the portfolio of 80%. He added that a further amendment will be made to page 9, namely that in the event of a serious breach of the risk appetite of HBFI that it will be reported to the Audit and Risk Committee, but also to the Chairperson of the Board of HBFI.

ii. Credit Policy.

The changes include the expanded HBFI product range.

iii. Delegated Authority Policy.

The changes include amendments to the Delegated Authorities for loan account reviews and Loan Amendments.

iv. Credit Grading Policy.

Only one amended was made to the previous version, namely that a new Credit Grade (Grade 'S') has been included.

v. Pricing Policy.

It was noted that the Interest Rate Margin Guideline is detailed in a separate guidance document.

vi. Risk Management Policy and Framework.

This included the addition of new sections on Risk Culture, Risk Appetite and Risk Framework and Policies.

Philip Bowler, Data Protection Officer, NTMA Compliance (DPO) joined the meeting call, and presented the following two policies for Approval.

vii. Clean Desk Policy.

This was a scheduled annual review, with amendments made to reflect the move to Treasury Dock.

viii. Protected Disclosure Policy update.

Although this policy has recently been reviewed by the Board, a recent change to AML regulations required that this policy was updated to provide for disclosures made relating to AML.

IT WAS RESOLVED to APPROVE items 10 (i) to 10 (viii).

The DPO left the meeting call.

11. AOB.

Two matters were raised under AOB:

- i. The Company Secretary confirmed that the EMT is satisfied that reserved matters which require consideration by the Board have been brought to the Board's attention.
- ii. The Board agreed a proposal from the CEO that meetings for the foreseeable future would be held by Webex, and that the Company Secretary would issue an invite to a set-up session for Webex shortly.

CLOSE

There being no further business the meeting then terminated.

Chairperson