

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 2nd 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 Caroline Ensor (Company Secretary)
Sean Alger, Head of Credit and Risk, HBFI.
Denise Donovan, Head of Operations and Finance, HBFI (items 11
and 12)
Dan O’Leary, Senior Finance Manager, NTMA (item 12)
Fergus Power, Head of Finance, NTMA (item 12)

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 27th February 2020 be approved subject to minor amendments agreed under Items 9, 14 and 16.

The CEO confirmed that there were 5 action points from the meeting of the 27th February and that 3 have been closed. The 2 remaining open action points had been discussed with the Chairperson prior to this meeting and are as follows:

- i. The Chairperson's Comprehensive Report to the Minister. This will coincide with the annual report, and a draft will be prepared over the next few weeks.
- ii.

6. CONFIRMATION IN RELATION TO RESERVED MATTERS

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

7. CEO UPDATE

The CEO introduced this section advising that she would deal with it under three papers, namely the BAU update, the Covid-19 response and the interim market measure as a result of Covid-19.

She brought the Board's attention to the important points in her paper and confirmed that HBFI is on track with the two new products and that the policies to support those will be presented to the Board for approval on the 16th of April. The systems and website will be ready by the beginning of May for the launch of these new products.

The application to the European Investment Fund, COSME (Competitiveness of Small and Medium Sized Enterprises) Scheme has been successfully submitted and a decision is expected in May.

The HBFI EMT has set up a working group to look at streamlining the HBFI customer application process and this is ongoing.

In terms of employees, delivery targets have been added to the KPI's cascaded down, as requested by the Board. Furthermore, all have completed a competency questionnaire and the CEO expects the results from that process in the next few weeks.

The recruitment of the new Business Development Manager has progressed and has been narrowed down to the final two candidates. It is preferred that these two candidates could be interviewed face-to-face and so it will be arranged to meet with them when safe to do so.

Following a query from the Board the CEO confirmed that the HBFI team is adapting well to remote working. She confirmed that EMT and Team meetings have increased in frequency to

ensure contact is maintained, and that people's efforts, commitment and flexibility is evident. The Head of Credit and Risk (HoCR) opined that people are highly motivated to assist in getting back to BAU, and to have HBFI positioned to play its part in the recovery of home building in Ireland, following Covid-19.

Following a query from the Board, the CEO said she would follow up with NTMA HR regarding any additional requirements to ensure there is a safe working environment for HBFI staff working from home.

8. (a) COVID-19

THIS ITEM HAS BEEN REDACTED IN PART.

The CEO went through the key principles guiding HBFI's decisions in these very uncertain times.

The HoCR then outlined how HBFI is approaching the three cohorts of customers as follows:

- i. Active sites, of which there are 6.
- ii. Cases which have been approved but are not yet active,
- iii. New cases.

He clarified that the relevant Board paper to accompany this item predated the direction to immediately close all building sites announced by the government on Friday 27th March 2020.

In all cohorts, it was emphasised that engagement and communication with customers has increased. Communication with borrowers is supportive and the HBFI team is working with individual borrowers to identify the additional risks to developments due to the current market uncertainty.

The CEO invited feedback or questions on the approaches outlined for the 3 cohorts. A discussion followed in relation to the role that HBFI should play to support construction in these uncertain times. It was agreed that HBFI needed to stay agile in its approach in the coming weeks and months.

IT WAS RESOLVED to approve the proposed approach as outlined.

(b) COVID-19. TEMPORARY MARKET MEASURE

The CEO outlined this proposal. Following engagement with the Department of Finance, a short-term market gap has been identified in light of Covid-19 where funding may be more limited, (from pillar banks) and that HBFI could fill that market gap by providing funding for new schemes.

The CEO confirmed that McCann Fitzgerald would advise HBFI on the changes required to the ISIF Agreement and would also provide an opinion on State Aid in respect of this product.

IT WAS RESOLVED to approve the proposal as recommended.

9. RISK UPDATE

The HoCR advised that a written risk report would be presented to the Board for Approval on the 16th April 2020 and that this would reflect the changed (and ever changing) risks developing in relation to Covid-19.

10. REPORT FROM AUDIT AND RISK COMMITTEE

The Chairman of the Audit and Risk Committee, which had met earlier in the day, gave a verbal update from that meeting, which had been convened specifically to consider the next two items, for information. He confirmed both had been considered and were recommended to the Board for approval, subject to certain amendments which the Head of Operations and Finance (HoOF) would detail to the Board.

11. ANNUAL REVIEW OF EFFECTIVENESS OF INTERNAL CONTROL, AND STATEMENT OF INTERNAL CONTROL

The HoOF joined the meeting call.

The HoCR summarised the attestation process which had been completed by the EMT. He confirmed that the Statement of Internal Control had been considered by the Audit and Risk Committee and was being recommended to the Board for Approval. It was also confirmed that a copy of the signed attestation would be circulated to the Audit and Risk Committee. He confirmed that the Chief Legal Officer in the NTMA has signed the attestation provided by NTMA as an appendix to the paper (She had confirmed her approval of same, but her signature was awaited, at the time the Board papers were circulated.)

IT WAS RESOLVED to Approve the draft Annual Review of Effectiveness of Internal Control and the draft Statement of Internal Control.

**12. FINANCIAL STATEMENT AND ANNUAL REPORT 2019 AND LETTER OF REPRESENTATION
THIS ITEM HAS BEEN REDACTED IN PART.**

Dan O’Leary, Senior Finance Manager, NTMA (SFM) joined the meeting call. The HoOF opened the item by confirming that all Audit and Risk Committee feedback from the prior meeting of the 13th February, in addition to feedback from the Comptroller and Auditor General (C&AG) had been incorporated into the financial statements circulated to the Board. She confirmed that the Audit and Risk Committee had approved both the HBFI Financial Statements and Annual Report and the HBFI(L) Financial Statements, subject to certain amendments, and were recommending the approval of both documents to the Board.

Fergal Power, Head of Finance, NTMA (HoF) joined the Meeting. The HoOF then itemised each requested amendment from the Audit and Risk Committee meeting earlier in the day.

The Board requested additional time to have a final review of the annual report. It was agreed that the Board would respond with any comments by Good Friday.

The HoOF confirmed that the Financial Statements for HBFI(L) submitted for approval are almost identical to the HBFI consolidated financial statements and will incorporate any changes requested this morning by the Audit and Risk Committee and will also be presented to that Board on the 16th April 2020, for Approval.

The HoOF then presented the Letter of Representation for Approval. She confirmed that this letter is the mechanism by which the Board gives comfort to the C&AG in relation to the financial statements and the audit. She summarised the sign-off process by the EMT, and where relevant, the NTMA under the SLA.

IT WAS RESOLVED to approve the draft Financial Statements and Annual Report 2019, as recommended by the Audit and Risk Committee, subject to any final comments from the Board, and furthermore that the CEO and Chairperson sign these on behalf of HBFI once clearance is

received from the C&AG, subject to no material change.

IT WAS RESOLVED to approve the draft Letter of Representation, as recommended for Approval by the Audit and Risk Committee, and that the CEO and Chairperson sign on behalf of HBFI once clearance is received from the C&AG.

The HoF, HoOF and SFM left the meeting call.

13. AOB.

It was proposed to the Board that more regular Board meetings would be scheduled during the Covid-related workplace closure, so that meetings being held by phone could be kept to a maximum duration of 90 minutes. It was agreed that Board meetings would be scheduled approximately every two weeks during the period, and it was agreed the next two HBFI Board meetings would be held on the 16th April 2020 (already scheduled, and a HBFI(L) meeting also required that day) and the 7th May 2020, and it was agreed that the Company Secretary would issue a meeting invite for the latter.

CLOSE

There being no further business the meeting then terminated.

Chairperson