

**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 10am on  
Thursday 23<sup>rd</sup> 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

**APOLOGIES** Grainne Hennessy

**IN ATTENDANCE** Paula Flinter, Head of Legal, HBFI.  
Michael Broderick, Chief Commercial Officer, HBFI.  
Sean Alger, Head of Credit and Risk, HBFI.  
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.

Andrew O’Flanagan stated at that point, that as a Director of the NFDA (National Development Finance Agency) he works with in the NTMA (where the ISIF also sits) but having discussed this with the Head of Compliance in the NTMA, and with the CEO of HBFI, he is satisfied that no conflict of interest arises in respect of item 6, in particular where the ISIF will be acting on foot of a Direction from the Minister for Finance. This was accepted by the Board.

#### 5. 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, noting that Item 6 on the Agenda requires consideration by the Board, per items 14, 15 and 16 of the schedule of reserved matters for the Board.

#### 6. PROPOSED AMENDMENT TO THE ISIF FACILITY AGREEMENT WITH HBFI(L) AND ADDENDUM TO BUSINESS PLAN.

The CEO introduced this Item by confirming that while the documents pertaining to this matter are presented to the Board for approval, they will not be signed, until such time as the Ministerial Direction is issued to the ISIF.

The Head of Legal, HBFI (HoL) stated that all pre-circulated documents presented to the Board have been reviewed by McCann Fitzgerald acting for HBFI, by Arthur Cox acting for the ISIF, and by internal legal advisors for the ISIF and HBFI also.

The HoL stated that on the 2<sup>nd</sup> April 2020 the Board agreed a new “Prime Senior Development Fund” (‘the Fund’) to facilitate lending by HBFI to residential developers on terms in line with those offered by the main pillar banks for a temporary period as a response to the Covid-19 pandemic. She said this lending will be funded through a specific pool of funding provided by the ISIF by way of an amendment to the existing facility dated 16<sup>th</sup> May 2019, on foot of a Ministerial Direction. Any such lending must comply with State Aid rules.

The approval of HBFI(L) as the borrowing entity will also be sought. The approval of HBFI is required as the entering of financial facilities by HBFI is a matter reserved to the Board of HBFI.

##### 6.1 HBFI Business Plan

- (a) The Head of Legal, HBFI (HoL) reminded the Board that a business plan of Home Building Finance Ireland (Lending) DAC (“**HBFI(L)**”) (the “**Original Business Plan**”) had been considered and approved at a meeting of the board of directors of HBFI, held at 11am on 20 December 2018 and shared with the Department of Finance. The Original Business Plan was a condition precedent to the Existing ISIF Facility Agreement (as defined below). An update to the Original Business Plan was approved by the Board on the 27<sup>th</sup> February 2020.
- (b) The Head of Legal, HBFI (HoL) advised the Board that as part of the Transaction (as defined below), **IT WAS NOTED** that an update to the Original Business Plan of HBFI(L) (the “**Revised Business Plan**”) would be delivered as a condition precedent to the Amendment Agreement (as defined below). **IT WAS FURTHER NOTED** that the approval of the Revised Business Plan was a

matter reserved to the board of the HBFI, as the parent company of HBFI(L), and is also a matter which the board of HBFI(L) (with the consent of the HBFI Board) was required to approve (as it relates to HBFI(L)).

## 6.2 Background to The Transaction

### THIS ITEM HAS BEEN REDACTED IN PART.

- (a) The Head of Legal, HBFI (HoL) set out for the Board, by way of reminder the components of the transaction. HBFI(L), as borrower, had entered into a facility agreement dated 16 May 2019 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 “**Existing ISIF Facility**”) (the “**Existing ISIF Facility Agreement**”).
- (b) The parties have now agreed, subject to Board approval, to amend the terms of the Existing ISIF Facility Agreement as follows: -
- (i) the Existing ISIF Facility would be split into two separate facilities, Facility A and Facility B (as defined below, respectively);
  - (ii) the Existing ISIF Facility would be reduced from €730,000,000 to €530,000,000 (“**Facility A**”/ “**Facility A Commitment**”) provided however that any amount unutilised under ISIF Facility B (as defined below) can be added back to the Facility A Commitment on expiry of the ISIF Facility B availability period;
  - (iii) the remaining €200,000,000 of the Existing ISIF Facility would provide for an additional euro denominated loan facility (the “**Facility B**” and together with Facility A, the “**ISIF Facilities**”);
  - (iv) the terms applicable to the Existing ISIF Facility Agreement would continue to apply to Facility A and the same terms would also apply to Facility B except for the purpose for which Facility B can be advanced (as described in sub-paragraph 6.2(d) below) and the interest payable on Facility B (as described in sub-paragraph 6.2(b)(v) below; and
  - (v)
- (c) In connection with the amendments outlined in 6.2(b), the HoL informed the Board that it was proposed that HBFI(L) would enter into an amendment and restatement agreement (the “**Amendment Agreement**”) in respect of the Existing ISIF Facility Agreement with the National Treasury Management Agency (in its capacity as controller and manager of the Ireland Strategic Investment Fund) (“**ISIF**”) pursuant to which the Existing ISIF Facility Agreement would be amended and restated in accordance with the Amendment Agreement (the “**Amended and Restated ISIF Facilities Agreement**”). The entry into by HBFI(L) of the Amendment Agreement and the matters contemplated thereby are referred to in these minutes as the “**Transaction**”.
- (d) The ISIF Facilities are contemplated by Section 42A of the National Treasury Management Agency (Amendment) Act 2014 (the “**2014 Act**”), and that the purpose of both ISIF Facilities will be to fund residential development in Ireland and related matters in accordance with the Revised Business Plan.
- (e) The provision of the ISIF Facilities by ISIF to HBFI(L) was subject to the issuing of ministerial direction pursuant to Section 42A and Section 43 of the 2014 Act by the Minister for Finance, the sole shareholder of HBFI (the “**Ministerial Direction**”).

- (f) In addition to the Ministerial Direction, prior to HBFI(L) entering into the Transaction, the HoL further explained to the Board that the Company would have to approve the terms of Amended and Restated ISIF Facilities Agreement, as it is a contract with a value of €1 million or greater, as well as, the other Finance Documents (as that term is defined in the Amended and Restated ISIF Facilities Agreement).

### 6.3 Documents

- (a) The following documents were pre-circulated to and considered by the Board:
- (i) the final agreed form of the Revised Business Plan;
  - (ii) the final agreed form of the Amendment Agreement;
  - (iii) the final agreed form of the Amended and Restated ISIF Facilities Agreement; and
  - (iv) the latest draft of the corporate certificate, pursuant to which a director of the Company would be required to certify certain information about the Company to ISIF (the “**Corporate Certificate**”).

The Board also noted the following pre-circulated documents and noted and accepted the opinions as set out:

- (v) State Aid Opinion from McCann Fitzgerald dated 16<sup>th</sup> April 2020;
  - (vi) State Aid Report from KPMG dated 3<sup>rd</sup> April 2020.
- (b) The Amendment Agreement, the Amended and Restated ISIF Facilities Agreement, the Corporate Certificate and the Finance Documents (as defined in the Amended and Restated ISIF Facilities Agreement) are collectively referred to as the **Transaction Documents**.
- (c) The HoL informed the Board that the Company may be required to:
- (i) enter into certain documents that may be necessary or desirable in connection with the Amended and Restated ISIF Facilities Agreement or other Finance Documents (as defined in the Amended and Restated ISIF Facilities Agreement) (the “**Additional Documents**”); and/or
  - (ii) issue, from time to time, subscription requests to the Minister for Finance to invest further equity in the Company in accordance with Section 10(4) of the Home Building Finance Ireland Act 2018 (as outlined in Clause 1(4)(c) of the Amended and Restated ISIF Facilities Agreement).

### 6.4 Approval of The Transaction and Documents

After discussion and due consideration **IT WAS UNANIMOUSLY RESOLVED** that:

- (a) The Revised Business Plan be and is hereby approved;
- (b) the Transaction be and is hereby approved;
- (c) the form of, terms of, and the transactions contemplated by the Transaction Documents be and are hereby approved;

- (d) any director be and is hereby authorised to execute the Corporate Certificate and any Additional Document, with any such amendments (including any manuscript amendments) as the director considers necessary or desirable in his /her absolute discretion, on behalf of the Company;
- (e) any Additional Document that:
  - (i) is required or expressed to be executed under hand, be executed under hand by any director;
  - (ii) is required or expressed to be executed as a deed, be executed and delivered under seal in accordance with the Company's Constitution, and that each director be and is hereby authorised to sign, and each other director and the secretary be and is hereby authorised to counter sign, the Company's seal once affixed to each Additional Document and to any of the documents, instruments or deeds referred to in this paragraph in accordance with the Company's Constitution;
- (f) each director be and is hereby authorised to:
  - (i) approve, issue, execute, despatch and/or deliver in the appropriate manner (whether under hand or as a deed provided that where execution as a deed is required, it be done in the manner provided for above) all documents and notices (including, without limitation, utilisation requests and notices of prepayment) to be signed and/or despatched by the Company under or in connection with the Amended and Restated ISIF Facilities Agreement or the Finance Documents; and/or
  - (ii) take all such actions on behalf of the Company as such director shall in their absolute discretion consider necessary, desirable or expedient in connection with the Transaction and any documents and/or the transactions contemplated thereby.

The Board requested that the wording in the addendum to the business plan be reviewed to reflect the fact that a State Aid assessment and MEOP report had already been obtained.

## **7. AOB**

No matters were raised under AOB.

## **CLOSE**

There being no further business the meeting then terminated.

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Chairperson