

**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 2.00 PM ON
THURSDAY, 10 OCTOBER 2024 AT TREASURY DOCK, NORTH WALL QUAY, DUBLIN 1**

Present: Marie Collins Chair
Dara Deering CEO
Claire Solon
Ken Slattery
Grainne Hennessy
Andrew O’Flanagan
Des Carville

Apologies: None

In Attendance: Sean Alger Head of Credit and Risk (HoCR)
Fergus Mangan Head of Lending (HoL)
Denise Donovan Head of Operations and Finance (HoOF)
Mike O’Halloran CEO, Fexco (MOH)
Kay Galvin Chief Operating Officer, Fexco (KG)
Marta Nurkiewicz Head of Risk and Compliance, Fexco (MN)
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 4 September 2024 had been circulated to the Board members in advance of the meeting and it WAS RESOLVED that the minutes of the meeting be APPROVED.

7.1. CEO UPDATE

The CEO presented a summary of the key points contained in the paper and advised that several items would be elaborated on by other presenters later in the meeting. The CEO provided an update on the HBFI Strategic Review for 2025 – 2029 and provided a summary of the two supporting reports in the Reading Room. She advised that submissions for the Section 24 were being prepared and will be presented at the December meeting. The CEO provided a people update and advised that the ‘future state’ organisation structure was communicated to staff. She added that it was well received and recruitment for new roles was ongoing. The CEO summarised the stakeholder engagement activity noting that the stakeholder survey has been issued and the results will form part of the Strategy Day discussion. She advised that following an invitation she met with Eoin Ó Broin and provided a summary of the discussion.

Following a question from the Board on the stakeholder survey, the CEO advised that following engagement with NTMA Communications a more targeted approach was adopted. She added that there was an increase in response rates to the survey as a result.

The CEO’s Update was NOTED by the Board.

7.2. THIS ITEM HAS BEEN REDACTED IN FULL

8. STRATEGIC PLAN 2025-2029

The HoL joined the meeting. The CEO presented the proposed approach to the Strategic Plan from 2025 – 2029 for discussion focusing on the topics raised by the Board for consideration for the Strategy Day and the Section 24 Review. The HoL update on the initial feedback from the Stakeholder Engagement Survey and on the Small Loans Forum. He

added that a review of the forum will be completed to identify areas of further enhancement.

The Board discussed and provided further input on the topics and proposed external speakers. The Board requested that an internal perspective on the structure and operating model of the Company to meet future demand be included as a topic. **[AP]**

Following a discussion, the Board NOTED the proposed approach to the Strategic Plan.

9. BUSINESS UPDATE

The HoL presented the business update and summarised the key changes since the last update including an overview of market trends. He commented on recent stakeholder events and engagements. He highlighted that HBFI events hosted in Donegal and Tralee were well attended noting that local radio interviews by the business development managers generated attendance. The HoL provided a market update and commented on the housing targets and impact of various government initiatives. The HoL further commented on the KPIs and pipeline for the remainder of the year.

Following questions from the Board, the HoL provided further information on the format of small loans forum and the profile of applicants.

Following a discussion, the Board NOTED the Business Update. The HoL left the meeting.

10. FINANCIAL PERFORMANCE

The HoOF rejoined the meeting and presented a summary of the report and advised it was materially in line with the reforecast.

The results to end of August were NOTED by the Board.

11. ANNUAL PRESENTATION FROM HEAD OF OPERATIONS AND FINANCE

The HoOF presented her annual presentation to the Board and provided a summary of the key matters. She outlined the priorities for 2025 including the establishment of a portfolio management team, re-procurement of the outsourced loan administration services, and **THIS ITEM HAS BEEN REDACTED IN PART.**

In response to a query from the Board on the procurement of the loan administration services following the expiration of the current contract, the HoOF summarised the process and the system requirements.

The Board NOTED the presentation.

12. REVIEW OF FEXCO AS A SERVICE PROVIDER

THIS ITEM HAS BEEN REDACTED IN PART. MOH, KG and MN, on behalf of Fexco, joined the meeting and presented an annual update to the Board. KG and MN provided a summary of their presentation focusing on the activity levels, governance, compliance, and oversight. MN advised that a HBFI-specific risk register was maintained. She added that Fexco

completes an annual data recovery test and there were no issues to report from the last test conducted in September.

Following questions from the Board on the risk register, MN provided further detail on the operation of the risk register and commented on the top risks.

MOH, KG and MN left the meeting.

13. REVIEW OF NTMA AS SERVICE PROVIDER

The HoOF presented this review noting that it was satisfactory. She provided an update on the SLA noting the annual review will commence in Q4 including budgeting. **THIS ITEM HAS BEEN REDACTED IN PART.**

The Review was NOTED by the Board.

14. RISK

i. Risk Report and Risk Register

The HoCR presented the Risk Report and the annual review of the Risk Register for noting and advised that both were reviewed by the Audit and Risk Committee (“ARC”). The HoCR provided an overview of the risk profile and provided an update on the current status of the top risks. He further commented on potential emerging risks including geopolitical environment.

The Board reflected on and discussed the risk profile and potential emerging risks including the inherent and residual risks. The HoCR noted that a review was previously completed to validate all controls recorded on the risk register. He added that the ratings are reviewed quarterly and following the last review it was concluded that on **THIS ITEM HAS BEEN REDACTED IN PART.**

Following a discussion, the Board NOTED the Risk Report and APPROVED the Risk Register.

ii. Portfolio Report

The HoCR presented the Portfolio Report for noting and commented on the key trends noting that all loans were performing. He provided further detail on the committed value, the LTC and LTV levels, and the credit grading. **THIS ITEM HAS BEEN REDACTED IN PART.**

Following a discussion, the Board NOTED the Portfolio Report.

iii. Credit Decisions Report

The HoCR provided an overview of the credit decisions made since the last report. He further provided a summary of the accounts due for review and the relevant delegated authority.

THIS ITEM HAS BEEN REDACTED IN PART.

The Board NOTED the Credit Decisions Report.

iv. Risk Appetite KPIs

The HoCR presented the Risk Appetite KPIs for noting and advised that there was one loan in excess of the maximum loan exposure which was approved by the Board as an exception to policy. **THIS ITEM HAS BEEN REDACTED IN PART.** He advised more detail will be presented at the December meeting.

The Board NOTED the Risk Appetite KPIs.

v. Part V Prices and Valuations Update

The HoCR presented this addendum to the risk reports in response to a number of queries on individual credit decisions on the Part V Prices and Valuations processes. He outlined the process for valuations and controls noting that the valuer is appointed from the HBFI Panel and where the valuation is lower than estimated a revised approval is sought from the relevant delegated authority. The HoCR further outlined the process and control for evaluating the Part V prices noting that any reductions in the sales values would require a revised approval from the relevant delegated authority.

Following questions from the Board, the HoCR provided further information on the independence of the valuers and advised that the sales value of the Part V units will be reported to the Board through the Portfolio Report.

The Board NOTED the Part V Prices and Valuations Update.

vi. Governance Review

The HoCR presented the annual Governance Review and provided an overview of the assessment and the results including the following:

- Reserved matters and authority for CEO/EMT;
- The role of the NTMA on matters such as recruitment, remuneration, expenses, gifts & hospitality together with issues such as protected disclosures and personal account transaction policy.
- Evidence of strong working relationships between Board, Management and Staff.

In response to a query from the Board on expenses, the HoCR noted the approval process and monitoring and reporting against budget.

Following a discussion, the Board NOTED the annual Governance Review.

15. SCHEDULED REVIEW OF THE DELEGATED AUTHORITY POLICY

The HoCR presented the scheduled review of the Delegated Authority Policy (“**DA Policy**”) and summarised the proposed amendments and rationale for same. **THIS ITEM HAS BEEN REDACTED IN PART.**

Following questions from the Board, the HoCR provided further details on the process, controls and MI reporting noting that the reporting will be enhanced. The Board discussed the proposed amendments and provided feedback on same.

Following a robust discussion, the Board APPROVED the DA Policy as presented noting that reporting to the Board will be enhanced in support of its oversight for loans approved at a lower DA. The Board further noted that the appropriateness of the delegated authority levels will be continuously monitored.

16. UPDATE FROM THE AUDIT AND RISK COMMITTEE

The Chairperson of the ARC provided a verbal update on the items which were discussed at the meeting of the ARC earlier that day. He advised that the ARC received the annual presentation from the Head of Legal, the Risk Reports, and Internal Audit provided an update on the revised global internal audit standards and the results of the external quality assurance report was presented. He advised that the ARC met privately without management present with the Head of Internal Audit and there were no matters to bring to the Board's attention.

The Chairperson of the ARC provided a summary of the quarterly update from Compliance including an action to review the insider lists. He advised that the ARC further considered its terms of reference, annual work plan for 2025, and the arrangement for staff and contractors to raise concerns.

The Board NOTED the Update.

17. GOVERNANCE:

i. Draft Board Plan 2025

The CS presented the Board Plan for 2025 for noting. She provided a summary of the steps in preparing the plan as detailed in the cover note.

The Board NOTED the Board Plan.

ii. Scheduled review of the HBFI Terms of Reference

The CS presented the scheduled review of the HBFI Terms of Reference and outlined the proposed amendments including the rationale for same. She added that the amendments are to reflect the amendments made to the Constitution.

The Board APPROVED the HBFI Terms of Reference as presented.

iii. Scheduled review of the Audit and Risk Committee Terms of Reference

The CS presented the review of the ARC Terms of Reference and outlined the proposed amendments which had been approved by the ARC for recommendation to the Board at its meeting earlier that day. She advised that the proposed amendment to include eligibility to

serve a third term on the ARC requires an adaption to the Code of Practice which would be sought in 2025.

The Board APPROVED the ARC Terms of Reference as presented.

18. PRIVATE SESSION

In accordance with section 1.7 of the Code of Practice for the Governance of State Bodies the Board met without the executive Board members or management present. This item was minuted separately.

19. AOB

The Board noted the remaining meetings scheduled for 2024.

There were further no matters to discuss under AOB.

CLOSE

There being no further business the meeting then terminated.

Chairperson