

**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS
OF THE
STRATEGIC BANKING CORPORATION OF IRELAND
(THE “COMPANY” OR “SBCI”)**

**DULY CONVENED, CONSTITUTED AND HELD BY VIDEO AND CONFERENCE CALL AT
TREASURY DOCK, NORTH WALL QUAY, DUBLIN 1
AT 15.15 PM ON 12 NOVEMBER 2021**

Present:

Barbara Cotter	<i>Chairperson</i>
June Butler	
Eilis Quinlan	
AJ Noonan	
Richard Pelly	
Conor O’Kelly	
Eoin Dorgan	
Tom McAleese	
Marguerite McMahan	

In Attendance:

Emma Geelon	<i>Administrator</i>
Rob Quill	<i>Risk & Finance Manager</i>
Suzanne Sweeney	<i>Head of Lending</i>
Paul Christie	<i>Senior Lending Manager</i>

1. NOTICE AND QUORUM

The Chairperson noted that notice of the meeting and of the nature of the business to be conducted had been circulated to all members entitled to attend the meeting and that a quorum was present. The meeting then proceeded to business.

2. DECLARATIONS OF INTEREST

For the purposes of Section 231 of the Companies Act 2014, Section 17 of the Ethics in Public Office Act 1995 and the Constitution of the Company, there were no material interests declared by members in the business to be transacted at the meeting.

3. CREDIT COMMITTEE REPORT

The Chairperson of the Credit Committee, Richard Pelly, provided a summary of the Credit Committee meeting held on 8 November 2021. He noted the Committee had reviewed 1) an Annual Review and Credit Proposal for FICS Holdings (One) DAC (“FICS”), to be discussed by the Board at agenda Item 4,

and 2) an Annual Review and amendment for Capitalflow AF 2 DAC (“Capitalflow”), to be discussed by the Board at agenda Item 5.

He noted he had been in contact with the team to discuss the Capitalflow purchase by Bunq BV and the FICS credit proposal provide guidance with the final papers presented to the credit committee. **THIS ITEM HAS BEEN PARTIALLY REDACTED** However, he went on to note that the Committee was strongly in support of the FICS Credit Proposal and Annual review and he considered them a good On Lending partner for the SBCI.

When summarising the Committee discussion on Capitalflow, he highlighted to the Board that the focus of the discussion was on the proposed change of ownership in Capitalflow and that Bunq BV are a partner that would have the digital and financial resources to enable Capitalflow to grow its platform. **THIS ITEM HAS BEEN PARTIALLY REDACTED**

In conclusion, he noted that the Committee was supportive of the proposals.

4. FICS HOLDINGS (ONE) DAC (“FICS”) CREDIT PROPOSAL AND ANNUAL REVIEW

The Head of Lending and the Senior Lending Manager presented the Annual Review and Credit Proposal for FICS Holdings (One) DAC (“FICS”). The Senior Lending Manager noted the paper was proposing a third facility of €75m bringing SBCI’s total exposure to €90m, an amendment to covenants and an annual review of the facility.

The Senior Lending Manager noted FICS have a strong management team and that the information they provide is of a good quality, he further noted they hold a retail credit license in one of the SPVs but abide by the SME Code of Conduct across all of the business. **THIS ITEM HAS BEEN PARTIALLY REDACTED** The Board noted the Lending Team were also in discussion with FICS with regards their succession planning, they noted Eoin Veale had joined FICS as their new Head of Treasury and that he was a strong addition to the organisation.

The Board noted on balance it was supportive of the proposal. It further noted that FICS is an important On-Lender in the market.

IT WAS RESOLVED:

- I. to amend the facility agreement originally entered into between the SBCI and (inter alia) FICS Holdings (One) DAC (“FICS”) on 28 October 2015, as subsequently amended and/or amended and restated from time to time including pursuant to (i) amendment and restatement agreements dated 6 December 2018 and 20 September 2019 respectively and (ii) amendment letters dated 23 December 2020, 17 February 2021 and 1 September 2021 respectively, (the “Facility Agreement”) to:
 - a. grant a new 6-year term facility to FICS of up to €75m (“Facility No. 3”); and
 - b. amend the terms and conditions pertaining to the €75m facility (“Facility No. 2”) originally granted to FICS pursuant to the amendment and restatement agreement dated 6 December 2018, as more particularly set out in the Credit Proposal.
- II. to approve the latest annual review of FICS.

- III. to delegate to any of the persons appointed from time to time as an attorney of SBCI pursuant to a validly subsisting Power of Attorney, (that Power of Attorney being, for the avoidance of doubt, validly subsisting as at the date the powers referred to below are exercised by any such attorney), the power to negotiate the terms of and/or approve the entry into and the execution of any contract, document, agreement or other binding arrangement, together with any amendments thereto, (including, but not limited to, any amendment or amendment and restatement of the Facility Agreement), conforming in substance to the terms as set out in the Credit Proposal, with such minor and non-substantive variations as any such attorney in his or her absolute discretion deems necessary or appropriate; and
- IV. to authorise the use of the SBCI's seal where required for the proper execution of any documentation in relation to any of the matters outlined above.

5. CAPITALFLOW AF 2 DAC ("Capitalflow") CREDIT PROPOSAL AND ANNUAL REVIEW

The Head of Lending and the Senior Lending Manager presented the Annual Review and amendment proposal for Capitalflow. The Board noted Bunq BV ("Bunq") is acquiring Capitalflow from Pollen Street Capital ("Pollen"), and this acquisition was due to take place as of 22 November 2021.

The Senior Lending Manager noted that the Bunq purchase is subject to the Dutch Central Bank approval which is not through and they are aware of the change of control requirement in the SBCI facility. He further noted the Lending Team and the CEO had discussed with Capitalflow and Bunq their key goals for the business and the terms and conditions of the SBCI facility which were outlined in the supporting paper provided to the Board.

The Head of Lending discussed the proposed changes to the covenants and that NTMA legal will use Dutch legal advice on the documents being signed by Bunq. She commented that the Bunq acquisition was considered a good fit for Capitalflow noting that Bunq intends to open an Irish branch company in Ireland with an application with the Central Bank for an IBAN number, **THIS ITEM HAS BEEN PARTIALLY REDACTED**

The Board noted that Bunq will bring attractively priced funding to SMEs and to the market. They noted that Capitalflow is an important player in the market and that the structure proposed provided comfort along with the fact that. The Board noted that Bunq is a regulated entity with the De Nederlandsche Bank (DNB). The Board noted that the Lending Team have engaged in preliminary discussions with Bunq with regard their ESG strategy and metrics, and there is intention to continue these discussions as the SBCI further develops its own ESG policy.

Ultimately, the Board were supportive of the proposal and

IT WAS RESOLVED:

- I. to amend the Facility Agreement entered into between the SBCI and (*inter alia*) Capitalflow AF 2 DAC on 10 January 2020, as was most recently amended and restated on 9 April 2021, together with any other related legal agreements, to facilitate:
 - a. the transfer of the ownership of Capitalflow Group DAC to Bunq BV **THIS ITEM HAS BEEN PARTIALLY REDACTED**

- b. the substitution of Bunq BV as guarantor in place of Capitalflow Holdings DAC;
 - c. permitting the distribution of profits from Capitalflow AF 2 DAC, in circumstances where all financial covenants set out in the Facility Agreement have been complied with;
 - d. **THIS ITEM HAS BEEN REDACTED**
 - e. **THIS ITEM HAS BEEN REDACTED**
- II. to approve the latest Annual Review of Capitalflow AF 2 DAC;
- III. to delegate to the SBCI Credit Committee the authority to approve the terms applying to any intercompany loan and any amendments that may be required to be made to the Subordination Agreement to potentially permit principal repayments of any intercompany loan and the conditions that may attach to that permission;
- IV. to delegate to any of the persons appointed from time to time as an attorney of SBCI pursuant to a validly subsisting Power of Attorney, (that Power of Attorney being, for the avoidance of doubt, validly subsisting as at the date the powers referred to below are exercised by any such attorney), the power to negotiate the terms of and/or approve the entry into and the execution of any contract, document, agreement or other binding arrangement, together with any amendments thereto, (including, but not limited to, any amendment or amendment and restatement of (i) the Facility Agreement, (ii) the Subordination Agreement and (iii) any intercompany loan agreement, together with any waiver and/or consent that may need to be granted by SBCI in connection thereto), conforming in substance to the terms as set out in the Credit Proposal, with such minor and non-substantive variations as any such attorney in his or her absolute discretion deems necessary or appropriate; and
- V. to authorise the use of the SBCI's seal where required for the proper execution of any documentation in relation to any of the matters outlined above.

6. AOB

There being no further business the Chairperson brought the meeting to an end.

Barbara Cotter, Chairperson