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Strategic Banking  
Corporation of Ireland

**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS  
OF  
STRATEGIC BANKING CORPORATION OF IRELAND  
(THE "COMPANY" OR "SBCI")  
DULY CONVENED, CONSTITUTED AND HELD AT  
TREASURY BUILDING, LOWER GRAND CANAL STREET, DUBLIN 2  
ON 15 DECEMBER 2016 AT 9.30AM**

**Present:**

Conor O'Kelly *Chairperson*  
Nick Ashmore  
Tom McAleese  
Rosheen McGuckian  
Ann Nolan  
AJ Noonan  
Eilis Quinlan

**Apologies:**

Barbara Cotter  
Richard Pelly

**In Attendance:**

Damien Mulholland *Secretary*  
Paul Christie *Assistant Manager, Lending*  
Jillian Mahon *Head of Funding and Strategic Initiatives*  
Ray Mangan *Senior Risk and Finance Manager*  
Macken McNicholas *Analyst*  
Suzanne Sweeney *Head of Lending*

**1. NOTICE AND QUORUM**

The Chairperson noted that the notice of the meeting and 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. He noted that the purpose of the meeting was to consider individual institution guarantee proposals regarding the Agriculture Cash flow Support Loan Scheme. 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 Articles of Association of the Company, the directors present each declared that they had no material interest in the business to be transacted at the meeting.

## **3. AGRICULTURE CASHFLOW LOAN SUPPORT SCHEME**

The Head of Lending presented the individual institution proposals to the Board for approval. She noted that since the update on the Agriculture Cash flow Loan Support Scheme (the Scheme) provided to the Board on 8 December, due diligence had been completed on all three proposals that passed the pre-screening process of the Open Call, these being Allied Irish Banks, Bank of Ireland and Ulster Bank. She also noted that the terms for each proposal varied only in the amount of capital being allocated to each institution.

The Board noted that the Expressions of Interest received from the three banks exceeded the €150 million Scheme and that SBCI management proposed allocation based on each bank's share of the market for lending to the agriculture sector. The Senior Risk and Finance Manager advised that the costs of administering the Scheme would be fixed and that any variable costs would not be additional to the approved Budget 2017.

The Board noted that the legal agreements would include a portfolio trigger amount clause to permit the SBCI to reallocate limits should a bank be slow to deploy the Scheme during the designated timeframe. The Head of Lending advised that the SBCI team would be monitoring the outflow of the Scheme via monthly and quarterly management reports from the banks. The Board noted that a clause would be added to the legal agreements providing that any amount lent by a bank over and above the limit set out in the legal agreements would be outside of the Scheme.

The Board requested that an income statement relating to the Scheme (flexing different levels of loss) be circulated to the Board in Q1 2017.

### **3.1. Allied Irish Bank Guarantee Proposal**

The Board reviewed the Allied Irish Bank Guarantee Proposal noting the terms as set out in the AIB Guarantee Proposal paper.

**IT WAS RESOLVED** that:

- i. that the SBCI enter in to an agreement with Allied Irish Bank plc (AIB) to provide AIB with a 6-year capped guarantee covering a portfolio of €65 million under the terms as set out in the AIB Guarantee Proposal as presented to the Board (the "AIB Guarantee");
- ii. to delegate to the Chief Executive Officer of the SBCI the power to negotiate or approve any non-material changes to the terms and conditions of the AIB Guarantee as outlined in the

AIB Guarantee Proposal in any contract, document, agreement relating to the AIB Guarantee as he in his absolute discretion deems necessary or appropriate; and

- iii. to authorise the use of the SBCI's seal where required for the proper execution of any documentation in relation to AIB Guarantee.

### **3.2. Bank of Ireland Guarantee Proposal**

The Board reviewed the Bank of Ireland (BOI) Guarantee Proposal noting the terms as set out in the BOI Guarantee Proposal paper.

**IT WAS RESOLVED** that:

- i. that the SBCI enter in to an agreement with Bank of Ireland ("BOI") to provide BOI with a 6-year capped guarantee covering a portfolio of €60 million under the terms as set out in the BOI Guarantee Proposal as presented to the Board (the "BOI Guarantee");
- ii. to delegate to the Chief Executive Officer of the SBCI the power to negotiate or approve any non-material changes to the terms and conditions of the BOI Guarantee as outlined in the BOI Guarantee Proposal in any contract, document, agreement relating to the BOI Guarantee as he in his absolute discretion deems necessary or appropriate; and
- iii. to authorise the use of the SBCI's seal where required for the proper execution of any documentation in relation to BOI Guarantee.

### **3.3. Ulster Bank Guarantee Proposal**

The Board reviewed the Ulster Bank (UB) Guarantee Proposal noting the terms as set out in the UB Guarantee Proposal paper.

**IT WAS RESOLVED** that:

- i. that the SBCI enter in to an agreement with Ulster Bank Ireland DAC (UB) to provide UB with a 6-year capped guarantee covering a portfolio of €25 million under the terms as set out in the UB Guarantee Proposal as presented to the Board (the "UB Guarantee");
- ii. to delegate to the Chief Executive Officer of the SBCI the power to negotiate or approve any non-material changes to the terms and conditions of the UB Guarantee as outlined in the UB Guarantee Proposal in any contract, document, agreement relating to the UB Guarantee as he in his absolute discretion deems necessary or appropriate; and
- iii. to authorise the use of the SBCI's seal where required for the proper execution of any documentation in relation to UB Guarantee.

#### **4. AOB**

There being no further business the Chairperson brought the meeting to a close.

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Conor O'Kelly  
Chairperson

23 February 2017