

**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 AT
TREASURY BUILDING, LOWER GRAND CANAL STREET, DUBLIN 2
AT 2.00PM ON 21 MARCH 2018**

Present:

Conor O'Kelly, *Chairperson*
Barbara Cotter
Nick Ashmore
Carmel Foley
Tom McAleese
Rosheen McGuckian
AJ Noonan
Richard Pelly
Eilis Quinlan

In Attendance:

Damien Mulholland *Secretary*
Ray Mangan *Head of Risk (Item 5 only)*
Suzanne Sweeney *Head of Lending (Item 5 only)*

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. MINUTES AND MATTERS ARISING

The Chairperson noted that draft minutes of the meetings of 7 December and 16 January had been circulated to the Board in advance of the meeting. **IT WAS RESOLVED** that the minutes of the meetings be approved and that they be signed by the Chairperson.

There were no matters arising from the minutes.

4. COMMITTEES REPORT

4.1. Remuneration Committee Report

The Remuneration Committee Chairperson, Rosheen McGuckian, presented and summarised the report of the Committee meeting held on 19 February. She noted that the Committee was recommending Items 4.1.1 to 4.1.3 to the Board.

4.1.1. Remuneration Policy

The Remuneration Committee Chairperson said that the Committee was recommending no changes to the Remuneration Policy at this stage. The Board reviewed the Policy and was satisfied that no changes were required.

4.1.2. Performance Related Payments

THIS ITEM HAS BEEN REDACTED IN PART

The Remuneration Committee Chairperson presented the performance related payments (PRP) proposal. The Board was supportive of the proposal, noting that it was framed in the context of the SBCI's overall performance in the delivery of its mandate.

The Board noted that the aggregate amount of PRP awarded would be disclosed in the 2017 Annual Report and asked that the Remuneration Committee Chairperson review the statements on remuneration to be included in the Report.

4.1.3. Committee Terms of Reference

IT WAS RESOLVED that the updated Remuneration Committee Terms of Reference, as presented, be approved.

4.2. Audit and Risk Committee Report

The Audit and Risk Committee Chairperson, Tom McAleese, presented and summarised the report of the Committee meeting held on 21 February. He advised that the Committee had reviewed the draft financial statements for 2017, and the draft Governance Statement and Board Members' Report, for inclusion in the Annual Report. He also noted that the Committee had approved the updated AML Policy and it had received a briefing on procurement, with particular reference to the specific requirements set out in the Code of Practice for the Governance of State Bodies.

5. CEO REPORT

The CEO presented his Report. He provided an update on the status of the Brexit Loan Scheme, the Credit Guarantee Scheme 2017, other strategic initiatives and the on-lending pipeline. He advised the Board that the Brexit Loan Scheme would be launched on 28 March and confirmed that a service provider had been contracted to perform SME eligibility checks on behalf of the SBCI. He noted that he would revert to the Board in April with updates to the Strategic Plan and the key priorities for 2018.

The Board discussed the CEO report noting the on-lending pipeline and the challenges it presented to the SBCI. It also noted that given the availability of liquidity to banks in the wholesale market, the

SBCI was now focused on supporting non-bank on lenders with new long-term low cost liquidity facilities. The Board welcomed the Company's positive financial performance for 2017.

6. AOB

There were no items under AOB.

7. PRIVATE SESSION

The Board met in private session. This item was minuted separately.

Conor O'Kelly
Chairperson

7 June 2018