

**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
IN-PERSON AT TREASURY DOCK, NORTH WALL QUAY, DUBLIN 1
AT 2:00PM ON 22 FEBRUARY 2024**

Present:

Barbara Cotter	<i>Chairperson</i>
June Butler	<i>CEO</i>
Ian Black	
Patrick Delaney	
Deirdre Donaghy	
Marguerite McMahon	
Declan Murray	
Richard Pelly	
Eilis Quinlan	

In Attendance:

Oonagh Kelly	Chief People Officer, NTMA (Item 6 only)
Deirbhile Brennan	Head of Compliance, NTMA (Item 8 only)
Sinead Flanagan	Senior Compliance Manager, NTMA (Item 8 only)
Sean Dowling	Legal Advisor, NTMA (Items 8.2 & 10.1 only)
Margaret Concannon	Head of Risk & Governance
Suzanne Sweeney	Head of Strategy, Finance & Operations
Dan Roche	Finance Business Partner
Shane McCullough	Interim Head of Products, Research & Marketing
Colin Moran	Head of Lending
Claire Young	Business Support Specialist
Des O’Connor	Company Secretary

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 of the Board of Directors (the “Board 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 any of the Board Members in the business to be transacted at the meeting.

3. MINUTES AND MATTERS ARISING

The Chairperson noted that the draft minutes of the meeting of the ad hoc Board meeting held on 26 January 2024 had been circulated to the Board in advance of the meeting and were before the Board for approval. The Board noted that Item 4.3 “AIB, BOI & PTSB allocations” in the draft minutes referred to BOI absorbing parts of the “Ulster Bank book”, however, this should refer to the “KBC book”.

IT WAS RESOLVED that, subject to the application of the above amendment, the minutes be approved and that they be signed by the Chairperson when circumstances permitted.

4. AUDIT AND RISK COMMITTEE REPORT

The Chairperson of the Audit and Risk Committee (CARC) provided a verbal update on the Committee’s meeting held on 13 February 2024. She noted that this was Declan Murray’s first meeting as a member of the Committee and, as Elaine Hanly’s appointment to the Committee was not yet effective, the meeting had proceeded with 2 members however this represented a quorum per the Committee’s Terms of Reference.

The CARC confirmed that the minutes of the Committee’s previous meeting had been approved by email and signed off by the outgoing Chairperson, and there were no open Matters Arising carried forward. She advised that a general update on activities had been presented by NTMA Compliance for noting, including the new “Gifts & Hospitality portal” and desktop “Conflicts of Interest”. She confirmed that NTMA Compliance had presented their Annual Compliance Report and had reviewed services provided in 2023 per their SLA.

The CARC noted that ARC’s approval of the “Nil” Annual Return for the Protected Disclosures Report for 2023 in respect of **THIS ITEM HAS BEEN PARTIALLY REDACTED** “Internal” **THIS ITEM HAS BEEN PARTIALLY REDACTED** reports. She advised that a presentation on “New and Emerging Statutory and Governance Obligations” was shared by NTMA Legal and NTMA Compliance and that most items at early stage/not likely to have significant impact on SBCI but were shared for awareness and kept under review, including the Corporate Sustainability Reporting Directive, Digital Services Act and Foreign Subsidies Regulations.

The CARC advised that NTMA Internal Audit had confirmed completion of the 2023 Internal Audit Plan and that the 2024 Internal Audit Plan had been shared, with 3 audits planned (“Product Development and Set-up”, “On Lender Due Diligence Processes” and “On Lender Data Feed and onward reporting”). She confirmed that the ARC had approved the extension of 3 x Open findings per management requests (2 to end-Q1, 1 to end-Q2) and that an “External Quality Assurance” assessment, which applies every 5 years per IIA guidelines, will be undertaken in Q2. She advised that the ARC had noted the annual “Review of the Effectiveness of the Internal Auditor” report and stakeholder feedback obtained by NTMA Internal Audit. She confirmed that the ARC had approved the annual review of the NTMA/SBCI Charter, with just minor amendments, and a new “Internal Audit Co-sourced Service Provider KPIs” introduced to align with the NTMA approach to Service Provider KPIs.

The CARC noted the On-Lender review updates presented by PWC **THIS ITEM HAS BEEN PARTIALLY REDACTED** and that the Bibby On-Lender review was due to commence in February. She confirmed that the Draft 1 Financial Statements were presented to the ARC and would be discussed later as part of the Board agenda (Agenda Item 9 below)

The CARC advised that the Annual Review of the Risk Function had been presented to the ARC and performance reviewed v 2023 Risk Management Plan. She noted the risk assessment of the new SBCI Schemes and proposed new On Lenders, and Risk Culture survey that had been undertaken which had yielded positive results and provided a baseline for future improvements. She noted that ARC approved the 2024 Risk Management Plan and new activities, including SMT reviews of Top 10 key

controls and corporate governance, and HEULS (pre-launch). **THIS ITEM HAS BEEN PARTIALLY REDACTED**, and the Risk Dashboard Review, including discussion of grade mappings and use of Moodys as basis for calculation of grades, and the need to “right size” KRIs.

The CARC confirmed that the ARC had approved the Impairment Assessment of “nil” impairment to apply for 2023 Financial Statements based on IAS39 (not IFRS9). **THIS ITEM HAS BEEN PARTIALLY REDACTED**

5. CEO REPORT

The Head of Lending (HoL) shared an update re the Ukraine Credit Guarantee Scheme, which currently had drawdowns at a rate of €5m per week. He confirmed that Linked Finance had launched their €50m participation, **THIS ITEM HAS BEEN PARTIALLY REDACTED**

THIS ITEM HAS BEEN PARTIALLY REDACTED He confirmed that work was ongoing to include additional assets as eligible investments under the scheme, and that SBCI met with BOI this week to discuss their “non-green” element of the scheme and BOI had not yet launched it. **THIS ITEM HAS BEEN PARTIALLY REDACTED**. He advised that marketing would be targeted to specific industry sectors to support the scheme.

THIS ITEM HAS BEEN PARTIALLY REDACTED

The IHPRM provided an update re the Home Energy Upgrade Loan Scheme (HEULS) and noted that PTSB planned to launch **THIS ITEM HAS BEEN PARTIALLY REDACTED**. He confirmed that the DECC cooperation agreement was due to be signed off and matters were progressing with **THIS ITEM HAS BEEN PARTIALLY REDACTED** and the new Credit Unions in the HEULS (EIB/EIF reviews) **THIS ITEM HAS BEEN PARTIALLY REDACTED**.

THIS ITEM HAS BEEN PARTIALLY REDACTED

6. “HAVE YOUR SAY” ENGAGEMENT SURVEY RESULTS

The Chief People Officer, NTMA, (CPO) presented the results of the “Have Your Say” Employee Engagement survey. **THIS ITEM HAS BEEN PARTIALLY REDACTED**

The CPO noted the exceptionally high level of “Pride” recorded and improvement in performance management which had resulted from the better application of existing processes, i.e., no amended processes had been introduced since the previous survey. **THIS ITEM HAS BEEN PARTIALLY REDACTED**

The CEO agreed that the survey results reflected the increased focus during 2022 and 2023 on Personal Development Plans, Career Progression and Skills Development. She noted the feedback re workload and felt that the additional recruitment which had been ongoing through 2023 and 2024 would take some time to feed through in terms of noticeable benefits for the existing staff.

The Board discussed the importance of pride, in terms of organisational culture, and that the overall message from the survey was positive and should be cascaded to the team accordingly. **THIS ITEM HAS BEEN PARTIALLY REDACTED** The CEO further noted that the feedback from the survey would be considered during capacity planning during 2024.

7. LENDING ITEMS

THIS ITEM HAS BEEN REDACTED IN FULL

8. COMPLIANCE & LEGAL ITEMS

8.1 Personal Account Transactions Policy – SBCI Board & Committees

The Head of Compliance, NTMA, presented the annual review of the Personal Account Transactions Policy for the members of the SBCI Board and Committees for approval. She noted that no material revisions were proposed and only minor updates to the Restricted Securities List were applied to reflect the current list of SBCI On Lenders.

IT WAS RESOLVED that the Board approve the Personal Account Transactions Policy for the SBCI Board and Committees, as presented.

8.2 Statutory & Governance Obligations – annual review

The Legal Advisor, NTMA (LA) and Senior Compliance Manager, NTMA (SCM) presented the annual update on Statutory Obligations. The LA noted that section 1 which referred to key items from the Code of Practice was unchanged. The LA advised that section 2 was based on a report by McCanns and drew attention to the Screening of Third Country Transactions Act (which is more likely to be relevant to other areas of the NTMA), the Data Governance Act (which SBCI is currently out of scope for) and the Climate Change Action Plan 2023.

9. FINANCE ITEMS

THIS ITEM HAS BEEN REDACTED IN FULL

10. GOVERNANCE ITEMS

10.1 General Indemnity Scheme/Matters Reserved for Decision by the Board

The Company Secretary (CS) and LA presented, for noting, an update regarding SBCI's admission to the General Indemnity Scheme and potential delegation of certain limited categories of claims against SBCI to the State Claims Agency (SCA). The LA advised that the text of the delegation orders has been agreed with the Department of Finance and when signed off by the Minister for Finance, the SCA will act as a claims manager, controlling, supervising and, if necessary, settling the category of claims on SBCI's behalf, but SBCI will be required to reimburse the SCA for any such settlements.

The LA advised that this will impact item 17 on the "Schedule of Matters Reserved for Decision by the SBCI Board" and a minor change will be required, with Board approval being sought in due course.

10.2 Board and Committees annual self-evaluation exercise

The CS presented the results of the Board and Committees annual self-evaluation exercise. He noted that, unlike other years, this year's exercise had been merged into a single survey covering the Board and the Credit and Remuneration Committees (the Audit and Risk Committee having completed their exercise earlier due to changes in that Committee's membership becoming effective end-2023).

The CS advised that, while other agencies in the NTMA had adopted this approach, the results from the SBCI survey showed that the areas of survey dedicated to each of the Committees, and to be completed only by the respective members of those Committees, had been completed in error by non-Committee members. This led to the number of responses exceeding the number of Committee members but, while it was not possible to exclude non-Committee members' responses as they are submitted anonymously, the CS' view was that this did not impact on the overall results.

The CS noted the evaluation exercise for the Board and Committees will be undertaken by an external body in 2024. Finally, he advised that the survey results were on the agenda for the Board's private session following the completion of the main agenda and he would be open to receiving any additional feedback/actions arising from those discussions.

The Board noted the commentary regarding training generally and discussed the various forms that such training could take when delivered to the relevant groups, including internal/external training, internal/external guest speakers, sharing of presentations etc. and requested that the CS revert with some suggestions in this area. **[Matter Arising]**

The Board noted the mandatory survey questions regarding diversity among the Board membership, e.g., age profile. While it was agreed that the process was managed via the Department of Finance and PAS, with the Minister having final sign-off on appointments, a further two Board members' terms are due to expire in Q1, 2025 so appointments represented another opportunity to improve diversity. The Board acknowledged that identifying suitably qualified and experienced candidates that would also improve Board diversity from the pool of applicants was challenging but should be considered.

11. CONSENT AGENDA

11.1 Board Work Programme 2024

The CS presented the updated Board Work Programme for 2024, following review by the Risk & Governance Team, for any comments the Board members may have, and otherwise for noting.

11.2 Board Members Appointments

The CS presented the following appointments following nomination by the Minister:

IT WAS RESOLVED that Elaine Hanly be appointed as a Board member and member of the Audit and Risk Committee, subject to that Committee's Terms of Reference, from 1 March 2024.

IT WAS RESOLVED that Patrick Delaney be appointed as a member of the Remuneration Committee, subject to that Committee's Terms of Reference, from 1 March 2024.

Finally, it was noted that Patrick Delaney's appointment by the Minister, as Chairperson of the Board of the SBCI, will become effective on 1 March 2024 following the retirement of Barbara Cotter effective 29 February 2024.

11.3 Travel and Expenses Policy - biennial review

The CS presented the biennial review of the Travel and Expenses Policy for members of the Board and its Committees, which had only minor amendments, e.g. the addition of a Document Control section, and otherwise was aligned with the NTMA Travel and Expenses Policy.

IT WAS RESOLVED that the Board approve the amended Travel and Expenses Policy for members of the Board and its Committees, as presented, be approved

12. AOB

PRIVATE SESSION (minuted separately)

A. BOARD AND COMMITTEES ANNUAL SELF-EVALUATION EXERCISE

B. REMUNERATION COMMITTEE REPORT

There being no other business, the Chairperson then brought the meeting to an end.

Barbara Cotter, Chairperson

Date