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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 24 OCTOBER 2016 AT 15.00PM**

Present:

Conor O'Kelly	<i>Chairperson</i>
Nick Ashmore	
Barbara Cotter	
Tom McAleese	
Rosheen McGuckian	
Ann Nolan	
AJ Noonan	
Richard Pelly	
Eilis Quinlan	

In Attendance:

Damien Mulholland	<i>Secretary</i>
Paul Christie	<i>Assistant Manager, Lending</i>
Ray Mangan	<i>Senior Risk and Finance Manager</i>
Shane McCullough	<i>Manager, Lending</i>
Eibhlin O'Donnell	<i>Legal Advisor, NTMA</i>
Suzanne Sweeney	<i>Head of Lending</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. He noted that the purpose of the meeting was to consider the Staffing Plan and Budget 2017 and amendments to a number of credit proposals. 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 interest in the business to be transacted at the meeting.

3. STAFFING PLAN 2017

The Senior Risk and Finance Manager presented the revised Staffing Plan 2017 and noted that it reflected comments made by the Board at its meeting of 8 September 2016.

The Board reviewed the revised Staffing Plan 2017. **IT WAS RESOLVED** that the Staffing Plan 2017, as presented, be approved.

4. BUDGET 2017

The Senior Risk and Finance Manager presented the revised Budget 2017 for approval and additional information on that budget as requested by the Board at its meeting of 8 September 2016.

The Board reviewed the additional information and noted the base case scenario and the underpinning assumptions as set out in the paper. It also noted that the proposed budget includes additional budget expenditure for research.

IT WAS RESOLVED that the revised Budget for 2017, as presented, be approved.

5. FINANCE IRELAND - CREDIT PROPOSAL

The Manager, Lending updated the Board on the progress of the Finance Ireland Credit Solutions Holdings DAC facility (the "Facility") approved by the Board at its meeting of 2 July 2015. He noted that management was seeking approval to amend some of the terms of that Facility as set out in the paper.

The Board reviewed the proposal and noted the amendments to the terms of the Facility as set out in the paper. It also noted that the proposal would further increase SBCI loans to the Agri sector. The Board requested that the strategic plan for 2017 provide a summary analysis of the SME finance market and the key market sectors in which the SBCI may participate.

IT WAS RESOLVED:

- (i) to permit Finance Ireland Credit Solutions Holdings DAC to finance the leasing of hire purchase of agricultural equipment using the existing €51 million facility agreement (the "Facility Agreement") as set out in the Credit Proposal presented to the Board;
- (ii) to amend the financial covenants in the Facility Agreement in such manner as set out in the Credit Proposal;
- (iii) to delegate to the CEO the authority necessary to give effect to any waivers or amendments to the Facility Agreement or other documentation connected with the above resolutions, as he in his 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 contractual documentation in relation to any of the matters outlined above.

6. FEXCO ASSET FINANCE - AMENDED CREDIT PROPOSAL

The Assistant Manager, Lending updated the Board on the progress of the FEXCO Asset Finance (FAF) facility (the "Facility") since the facility was approved by the Board at its meeting of 20 June 2016. He noted that management was seeking approval to amend some of the terms of that Facility as set out in the paper.

The Board reviewed the proposal and noted amendments to the terms of the Facility as set out in the paper. It also noted the due diligence process was nearing completion and that the various legal agreements would be finalised in the coming weeks subject to a satisfactory conclusion of that process.

IT WAS RESOLVED:

- (i) to amend the terms and conditions of the loan facility to FEXCO Asset Finance (the "Facility") approved by the Board on 20 June 2016, as detailed in the Credit Amendment Proposal presented to the Board;
- (ii) to delegate to the Chief Executive Officer of the SBCI the power to negotiate the Facility and any related agreement or documentation conforming in substance to the terms set out in the Credit Amendment Proposal with such minor and non-substantive variations or changes 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 contractual documentation connected to the Facility.

7. AOB

The Board noted that, at its meeting of 8 September 2016, it had approved the role of the SBCI as manager and operator of the Department of Jobs, Enterprise and Innovation's Credit Guarantee Scheme. In connection with its role, the CEO advised that SBCI would now be required to enter into various agreements. In this regard,

IT WAS RESOLVED that the SBCI's seal may be affixed to any agreement or document expressed to be a deed and/or required to be executed under the seal of the SBCI (which has previously been approved by the CEO pursuant to the authority referred to in resolution 6(c) of the meeting of the board held on 2 July 2015) in accordance with Article 21 of the Articles of Association of the SBCI.

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

Conor O'Kelly
Chairperson

1 December 2016