



**Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta  
National Treasury Management Agency**

**MINUTES OF MEETING OF THE  
NATIONAL TREASURY MANAGEMENT AGENCY  
HELD ON 29 SEPTEMBER 2015 AT  
TREASURY BUILDING, LOWER GRAND CANAL STREET, DUBLIN 2**

**PRESENT:** Willie Walsh (Chairperson)  
Brendan McDonagh  
Derek Moran  
Martin Murphy  
Conor O'Kelly  
Mary Walsh  
Robert Watt  
Susan Webb

**APOLOGIES** Maeve Carton

**IN ATTENDANCE:** Adrian O'Donovan, Secretary  
Ian Black, Chief Financial and Operating Officer (CFOO)  
Andrew O'Flanagan, Chief Legal Officer (CLO)  
Deirdre Hannigan, Chief Risk Officer (CRO) (Items 1 to 4.2 only)  
Eugene O'Callaghan (Items 6 and 7 only)  
Kieran Bristow (Item 7 only)  
Eileen Fitzpatrick, Director, NewERA (Item 8 only)  
Martin Byrne, Senior Financial Advisor, NewERA (Item 8 only)  
John Dillion, Senior Financial Advisor, NewERA (Item 8 only)  
Andrew Ennis, Senior Corporate Finance Advisor, NewERA (Item 8 only)  
Mary Birmingham, Premises Project Team (Item 9 only)  
Ciara Lehane, Premises Project Team (Item 9 only)  
Barry Keogh, Premises Project Team (Item 9 only)  
Tony Diviney, Premises Project Team (Item 9 only)  
Roland O'Connell (Savills), Premises Project Team (Item 9 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 given to all members entitled to attend the meeting and a quorum was present.

**2. DISCLOSURES OF INTEREST**

There were no disclosures of interest. The Chairperson informed the meeting that the standing interest he had previously disclosed with regard to any matter that might arise for consideration by the Agency relating to Aer Lingus no longer applied.

### 3. **MINUTES AND MATTERS ARISING**

The minutes of the meetings of 7 July, 14 July and 14 September were agreed and signed by the Chairperson.

### 4. **COMMITTEE REPORTS**

#### 4.1 **Audit Committee**

The Audit Committee Chairperson, Martin Murphy, reported on the Committee meeting held that morning, 29 September.

#### 4.2 **Risk Committee**

The Risk Committee Chairperson, Mary Walsh, reported on the Committee meeting held on 22 September. She said that the Committee had reviewed the draft Risk Management Policy and Framework and recommended its adoption by the Agency. She noted that adoption of the Risk Management Policy and Framework, which detailed the levels of the organisation at which the various risk management policies would be approved, entailed amendments to the Schedule of Matters Reserved for Decision by the Agency and the Risk Committee terms of reference – to be discussed under Agenda Item 10.

The CRO presented the draft Risk Management Policy and Framework, as recommended by the Risk Committee, to the Agency. The Committee discussed the draft Framework and Policy and agreed that it was useful in further developing a common structured approach to risk management across the organisation.

**IT WAS RESOLVED** to adopt the Risk Management Policy and Framework as recommended by the Risk Committee.

#### 4.3 **Remuneration Committee**

The Remuneration Committee Chairperson, Brendan McDonagh, reported on the Committee meeting held on 14 September.

#### 4.4 **Investment Committee**

The Agency noted the Committee's Investment Report for the period 27 February 2015 to 30 June 2015 and the end 2014 Baseline Economic Impact Report.

The Committee Chairperson, Brendan McDonagh, said that under the review of the Investment Committee terms of reference at Agenda Item 10 it was proposed to remove the requirement for these formal written Committee reports.

The Agency agreed that, should it agree the change in Terms of Reference under Agenda Item 10, it should continue to have visibility on ISIF investments and their performance.

The Committee Chairperson reported on the Committee meeting held that morning, 29 September.

### 5. **CHIEF EXECUTIVE'S REPORT**

The Chief Executive presented his report. He updated the Agency on a range of corporate and business issues including bond market developments, measures under consideration with regard to ongoing oversight of ISIF investments and resourcing and other issues arising from the increased responsibilities of the State Claims Agency.

The Agency noted the Report on Delegated Matters Notifiable to the Agency.

**6. OPERATING BUDGET**

The CFOO presented the 2016 NTMA and ISIF operating budgets for approval by the Agency. The Agency reviewed the factors underpinning the budget projections and noted that headcount – arising from changes in NTMA business mandates – was the main NTMA budget driver.

**IT WAS RESOLVED** that:

- (i) the NTMA operating budget for 2016; and
- (ii) the ISIF operating budget for 2016

be approved.

**7. ISIF GLOBAL PORTFOLIO TRANSITION STRATEGY (GPTS)**

The Head of Investment Strategy, ISIF presented the GPTS to transition the ISIF from a global portfolio into an Irish focused portfolio over the coming years as investment opportunities that meet the ISIF's mandate are executed and drawn down. He outlined the progress in the tender process to select managers to implement the GPTS. He noted that management was seeking the Agency's approval of the GPTS and the delegation of the implementation of the GPTS to management. With regard to this latter point he noted that investments within the GPTS would be made within a very clearly defined strategic mandate, would be in liquid investments, and would be subject to the oversight of the Investment Committee.

The Chairperson of the Investment Committee confirmed that the Committee had recommended the GPTS and the delegation of the implementation of the GPTS to management at its meeting, that morning 29 September.

**IT WAS RESOLVED** that

- (i) the Global Portfolio Transition Strategy; and
- (ii) delegation of the implementation of the Global Portfolio Transition Strategy to management, including the selection and appointment of investment managers and the unwinding of the Capital Preservation Strategy

be approved.

**8. NewERA PRESENTATION**

The Director, NewERA and her team presented an overview of NewERA including its role, organisational structure, workstreams and operating environment. The team outlined the main thematic points arising from its activities to date and the work done to put in place a common, structured financial oversight platform across its portfolio.

**9. NTMA PREMISES**

The CFOO said that, as previously discussed with the Agency, a number of leases in the Treasury Building were approaching expiry/break decisions which coincided with the wind-down of NAMA in the medium term. A strategic decision was required with regard to the long-term operating premises for the NTMA.

The NTMA Premise Project Team presented the Premises Review of the four properties shortlisted by the Project Team. The Project Team's recommendation was to progress to detailed due diligence and lease negotiations on the Project Wave building.

**IT WAS RESOLVED** that:

- (i) Project Wave be selected as the preferred property for the NTMA's long-term operating premises, subject to the completion of operational and legal due diligence on the property; and
- (ii) the Chief Executive be authorised to negotiate and agree an agreement for lease (including the landlord specification) on the Project Wave property on commercial terms that are substantially similar to the terms summarised in the paper presented to the Agency.

#### 10. **RESERVED MATTERS AND COMMITTEE TERMS OF REFERENCE**

The Secretary presented a number of measures to enhance the efficiency of the decision-making processes of the Agency and its Committees through amendments to the Schedule of Matters Reserved for Decision by the Agency and the Terms of Reference for each of the Risk Committee and the Investment Committee. He summarised the changes as follows:

- Effecting the approach proposed in the Risk Management Policy and Framework (approved by the Agency at Agenda Item 4.2) would require amendment to Item 1.3 of the Schedule of Matters Reserved for Decision by the Agency as well as amendments to the Risk Committee terms of reference.
- A technical amendment to Item 3.2 of the Schedule of Matters Reserved for Decision by the Agency was recommended to clarify that implementation of Ministerial directions with regard to the ISIF was not a reserved matter. Any such implementing actions would be included as matters for noting by the Agency.
- Amendments to the Investment Committee terms of reference were proposed to clarify the Committee's role and to take account of the adoption of the ISIF Investment Strategy/Business Plan and the delegation of the implementation of the Global Portfolio Transition Strategy to management (Agenda Item 7).
- It was also proposed that the Agency delegate items 4.1 and 4.2 of the Schedule of Matters Reserved for Decision by the Agency (approval to enter into new PPP contracts and approval to enter into any new contract with a capital value in excess of €50 million to procure as agent for the Minister for Education and Skills any public investment project in relation to an educational facility) to management and that a Management Infrastructure Committee, comprising the Chief Executive, Director NDFA, CFOO and CLO (chaired by the Chief Executive) be formed to approve projects. Projects reviewed by the Management Infrastructure Committee, and the outcome, would be included as matters for noting by the Agency.

The Chairperson of the Risk Committee confirmed that the Committee had recommended the proposed amendments to the Schedule of Matters Reserved for Decision by the Agency and to the Risk Committee terms of reference to give effect to the Risk Management Policy and Framework.

The Chairperson of the Investment Committee confirmed that the Committee had recommended the proposed amendments to the Investment Committee terms of reference.

**IT WAS RESOLVED that:**

- (i) The Schedule of Matters Reserved for Decision by the Agency be amended as presented to the Agency;
- (ii) The terms of reference of the Risk Committee be amended as presented to the Agency; and
- (iii) The terms of reference of the Investment Committee be amended as presented to the Agency.

Arising out of the Agency discussion of members' responsibilities under the Code of Conduct and the safekeeping of Agency documentation, the Secretary summarised members' responsibilities under the Code and the measures in place to ensure the security of Agency documentation.

**11. AOB**

There were no items under AOB.



24 November 2015