



The Housing Finance Corporation

New Business Committee Terms of Reference

1. CONSTITUTION

For the purposes of this document, references to The Housing Finance Corporation Limited includes the equivalent functions for all its subsidiary companies (except for Affordable Housing Finance Plc), together known as the 'Group'. The New Business Committee (the 'Committee') is empowered to act for the Group.

2. MEMBERSHIP

Committee members shall be appointed by the Board of The Housing Finance Corporation Limited and shall comprise a minimum of three independent non-executive directors of The Housing Finance Corporation Limited and the Chief Executive.

The non-executive directors nominated by the National Housing Federation and the Regulator of Social Housing shall not be permitted members of, or attend, the New Business Committee.

The board shall appoint the committee chair. In the absence of the committee chair and/or an appointed deputy at a committee meeting, the remaining members present shall elect one of themselves to chair the meeting

3. MEETINGS

The Committee shall meet monthly, with additional meetings called as necessary to review any credit risk or funding issues that may be referred to the Committee by the Executive Credit and Issuance Committee or any new solution / product proposals.

4. QUORUM

As a minimum, two non-executive directors and the Chief Executive shall constitute a quorum.

A member may attend (and deemed to be present at the meeting) by electronic video-conferencing technology, e.g. Microsoft Teams.

If the Chief Executive cannot attend, the meeting should be rescheduled, but in exceptional circumstances he/she may delegate attendance to either the Chief Finance Officer (CFO) or the Chief Risk and Operations Officer (CROO).



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In cases where the Chief Executive is unable to delegate attendance the CROO will be deemed the delegate and if he/she cannot attend the CFO will be the reserve delegate.

5. VOTING

Committee members should aim to reach a unanimous decision.

If a unanimous decision cannot be reached, a decision can be made by a majority of votes.

If necessary, the Chair will have a casting vote on any business of the meeting.

6. ATTENDANCE AT MEETINGS

In addition to the Committee members, attendance at meetings shall normally include The Chief Credit Risk and Operations Officer (CROO) plus other Directors or The Housing Finance Corporation Limited staff members that can support any decision that the Committee is being asked to consider.

7. RESPONSIBILITIES

The Committee is primarily responsible for the assessment of individual credit propositions, the raising of funds by issuance of Notes / Bonds / other debt instruments to investors, or the assessment of any new solutions The Housing Finance Corporation Limited may wish to offer to its clients (subsequently referred to as 'New Products') that may present a different risk profile not covered by The Housing Finance Corporation Limited's Credit Risk Policy.

The Committee may refer any approval decision to the Board for endorsement for any reason.

7.1. CREDIT APPROVALS

The Committee has delegated authority to approve credit (loan) proposals referred to it by the Executive Credit and Issuance Committee because:

- A. does not meet the qualifying and decision criteria in The Housing Finance Corporation Limited's Credit Risk policy OR
- B. unable to reach a unanimous decision OR
- C. any other reason.

All minutes and credit decisions should be advised to the Board for noting.



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The Committee may delegate specific actions to the executive as part of its approval and require subsequent updates on progress on any such actions. The Committee may decide to defer its decision until specified actions are completed and/or require resubmission of the proposal at a future meeting. In all cases actions and responses should be minuted.

7.2. NEW FUNDING ISSUES

The Committee can approve any new funding proposals referred to it by the Executive Credit and Issuance Committee.

The Committee will assess and approve the creation of any new legal entities that may be required for the funding.

The Committee may refer new funding proposals to the Board for final approval if it considers it appropriate or for any other reason.

7.3. NEW PRODUCT APPROVALS

The Committee has delegated authority to approve the development of new products and/or significant investment in the development of new products.

New products should be presented to the Committee if they present risks not covered by the Credit Risk Policy.

The Committee will make its assessment balancing the impact of new risk against the business opportunity the new products provide.

The Committee will consider an initial approval of new products at Conceptualisation or early Development phases and consider a final approval at the Engagement phase prior to launch (see Appendix 1 for detail of product development phases).

The Committee may delegate specific actions to the executive as part of its approval and require subsequent updates on progress on any such actions. The Committee may decide to defer its decision until specified actions are completed and/or require resubmission of the proposal at a future meeting. In all cases actions and responses should be minuted.



8. AUTHORITIES

The Committee is authorised by the Board to obtain, at The Housing Finance Corporation's expense, outside legal or other professional advice on any matters within its terms of reference.

9. REPORTING RESPONSIBILITIES

The Committee shall report to the Board at the following Board meeting.

The Committee shall report any material changes in risk, either related to a specific decision or at the portfolio level, to ARC and the Board.

10. ANNUAL REVIEW

The Committee is required to review annually its terms of reference and its own effectiveness and to recommend any necessary changes to the Board.

These terms of reference were last approved by the Board on 28 March 2025.



APPENDIX 1

NEW PRODUCT DEVELOPMENT PROCESS

