

## MINUTE OF EXECUTIVE COMMITTEE MEETING – 3/06/14

Present: David Havelock                      Attending: Paul Croucher  
          Cameron Fox                            Olga Crosse  
          Steve Dodgson                         Andrew Barton                      (Item 2)  
          Stephen Lawrenson                    Paul Radford                        (Item 2)  
          Lucy Wylde                              Richard Wade                     (Item 2)  
   Michelle Ford                        (Item 3)  
   Nick Tyler                            (Item 3)

Apologies: David Godfrey

Secretary: Laurence Lily

### **1 Draft minute of 6 May meeting and matters arising**

- 1.1 The draft minute was approved. EC noted the actions from previous meetings that were completed or in hand.

### **2 Direct Lending**

- 2.1 EC discussed the proposed policy enhancements to the Direct Lending facility. It agreed that the project team should present the following agreed policies to the BBA on 6 June:

2.1.1 There will be no maximum loan size, assuming there is available headroom under the facility. The facility guidance will state that UKEF loan amounts are “typically greater than £2 million”, although no absolute minimum would be set as policy;

2.1.2 Access rules will be relaxed, with no requirement for two banks to have turned down the loan. However, the facility will not be used to displace bank lending and each case will be judged on this basis.

2.1.3 A fee of 0.15% (from the CIRR margin) on outstanding loan amounts below £20 million is to be provided to the partnering bank for their role.

2.1.4 UKEF will allow the borrower to fix the CIRR rate: i) at pre-contract, held for 120 days (at an additional cost of 20bps); ii) at financial close (at no added cost); or iii) at the first drawdown.

2.1.5 UKEF will advertise to banks the opportunity to become a partnering bank. Partnering banks will be required to sign an MoU with UKEF.

2.2 EC agreed that no additional policies should be set specifically for applications for loans over £50 million.

### **3 EC Business Performance Review**

3.1 EC received a presentation from Nick Tyler on a proposed schedule and format for monthly EC reviews of business performance. EC agreed that consideration of risks should be included under each performance area. EC noted that the development of UKEF's market intelligence/financial markets team would feed into this work, as would the Management Information project. EC agreed to trial the quarterly performance review on 15 July. EC also noted it was to receive an update on the MI project on 17 June.

**Action: Secretary to add to forward diary**

### **4 Change Board Update**

4.1 EC noted an update following the meeting of the Change Board on 28 May 2014.

### **5 Compliance Policies: Insider Trading and Market Abuse**

5.1 EC agreed that:

5.1.1 the Staff Handbook should be reviewed to reinforce UKEF's compliance policy on insider trading and market abuse; and

5.1.2 specific training in this area should be provided for existing staff (including contractors) and should form part of the induction process for new staff.

### **6 General Counsel's Office**

- 6.1 EC endorsed proposals for each lawyer within the General Counsel's Office to be allocated specific responsibilities for enhancing and maintaining GCO's knowledge of client areas (or projects) and the relationships with those involved. EC noted that the arrangements for allocating responsibility for specific legal advice would not change from current arrangements, and would continue to be done in a way that optimises the use of available resources.

## **7 SharePoint roles**

- 7.1 EC noted a request to re-designate the grades of two IT roles within the HR plan. EC asked HR to investigate the use of pay allowances for specialist roles.

**Action: Olga Crosse to follow-up with Cameron Fox**

## **8 Management Board Terms of Reference**

- 8.1 EC agreed that the Management Board should consider its Term of Reference in July, ideally alongside the planned review of effectiveness.

**Action: Secretary to inform the Board Secretary**

## **9 Export Guarantees Advisory Council: Review of Effectiveness**

- 9.1 EC noted that the Management Board was due to consider the effectiveness of the Council at the board meeting on 19 June 2014.

## **10 Any other business**

- 10.1 EC noted that a draft of the Audit Completion Report (including management letter) on the 2013 - 2014 financial statement audit had been circulated to EC members for information.

**Laurence Lily**

**Chief Executive's Office**

## MINUTE OF EXECUTIVE COMMITTEE MEETING – 16/06/14

Present: David Godfrey                      Attending: Paul Croucher  
          Cameron Fox                            John Cross                      (Item 2)  
          David Havelock                        Len E. Brown                 (Item 3)  
          Stephen Lawrenson                    Graham Cassell              (Item 4)  
          Lucy Wylde                              Rachael Waters              (Item 5)  
  Mark Potter                    (Item 6)  
  Neil Harris                     (Item 8)

Apologies: Steve Dodgson

Secretary: Laurence Lily

### **1 Draft minute of 3 June meeting and matters arising**

- 1.1 The draft minute was approved. EC noted the actions from previous meetings that were completed or in hand.
- 1.2 EC requested a formal recommendation by 1 July on the proposed re-designation of two IT roles, as per the action arising from 3 June.
- 1.3 EC requested an update on HR work streams, including annual appraisals, talent management and recruitment.

**Action: Secretary to arrange and add to the forward diary**

### **2 TFIS organisation and resources**

- 2.1 EC discussed a number of proposed changes to the organisation of the TFIS division, intended to increase the division's capacity and capability to respond to an increasing volume of enquiries. EC broadly agreed with the rationale for the proposed changes, but noted that they would result in a net funding increase for the department.
- 2.2 EC reiterated the importance of working to budgets. EC agreed to the addition of one senior management position (grade 7) to the TFIS structure. Other proposed changes that would result in a net funding increase would need to be considered as part of the Q1 reforecast.

### **3 Management Information**

- 3.1 EC noted the results of a scoping exercise for a project to improve UKEF's management information and related processes. EC noted that the Change Board had endorsed the start of a project phase that would analyse the department's management information requirements.
- 3.2 EC expressed its support for the project's objectives and noted the project's plans to engage with key stakeholders and maintain discipline on the project's scope.

### **4 Process improvement approaches**

- 4.1 EC received a presentation that described approaches to improving organisational processes. EC agreed that:
- 4.1.1 the TFIS programme should be used as a pilot to analyse how to provide the optimal 'customer journey' for those using UKEF products and services; and
  - 4.1.2 process improvement practices should be applied where appropriate to complement the work of internal audit and the operational risk manager to increase assurance on the accuracy and completeness of business documentation and manuals.

### **5 Pay Remit**

- 5.1 [RW to provide]

### **6 Bill update**

EC noted recent work completed, upcoming milestones and key risks in relation to planned changes to the Export and Investment Guarantees Act. EC invited the Bill Team to send to EC members copies of the briefing being prepared for Ministers to use during the passage of the bill through parliament.

**Action: Pat Cauthery**

**7 ISAC meeting**

- 7.1 EC noted an assessment by ISAC of information security risk and the status of related controls. EC agreed that it should consider whether to expand the scope of ISAC responsibilities to cover all security-related risks.

**8 Audit report on corporate credit cards**

- 8.1 EC noted the findings of an internal audit report on the use of corporate credit cards.

**9 Corporate identity guidelines**

- 9.1 EC noted work in hand to provide a definitive set of corporate identity style guidelines, artwork, templates, and standard materials. EC noted that these guidelines would help control the quality, consistency and cost of UKEF's communication and marketing collateral.
- 9.2 EC agreed the next steps, noting that business-facing divisions would continue to be consulted on the development of the guidelines, and that UKEF Marketing would ensure that its expenditure was consistent with ERG spend controls.

**Laurence Lily**

**Chief Executive's Office**

## MINUTE OF EXECUTIVE COMMITTEE MEETING – 23/06/14

|          |                       |            |               |          |
|----------|-----------------------|------------|---------------|----------|
| Present: | David Godfrey         | Attending: | Paul Croucher |          |
|          | Cameron Fox           |            | Olga Crosse   |          |
|          | Steve Dodgson         |            | Andrew Barton | (Item 1) |
|          | David Havelock        |            | Richard Wade  | (Item 1) |
|          | Lucy Wylde (by phone) |            | Stuart Roddam | (Item 1) |

Apologies: Stephen Lawrenson

Secretary: Laurence Lily

### **1 Direct Lending**

- 1.1 EC was asked to consider two issues: a resources plan for administering the Direct Lending (DL) product, and the public version of a DL Main Features document. EC also noted further discussion was required on the DL partnership framework arrangements.

#### Resourcing DLF

- 1.2 EC noted that the resources required were contingent on a number of variables, including the overall demand for the scheme, the type of cases presented to UKEF (e.g. bilateral or syndicated), the proportion of cases that involved a partnering bank, and the degree to which demand for the scheme replace standard buyer credit guarantee business.
- 1.3 EC noted that certain specialised resource would be required in all eventualities, such as a KYC/compliance and loan administration roles. EC also agreed that securing additional resource with senior banking experience would be valuable as early as possible, given UKEF might be in a position to proceed with loans in a matter of months.
- 1.4 EC broadly agreed to the rationale behind the resource plan presented by the project team. EC invited the project team to present a detailed business case to the Chief Executive and the Finance Director. The plan for the next three-

month period should be agreed before 7 July, when EC was due to consider the reforecast.

**Action: Andrew Barton to co-ordinate with Business Group and HR**

Partnership Framework Agreement

- 1.5 EC discussed the options for obtaining the participation of partnering banks. EC agreed that this issue was significant to the successful operation of the facility, and that the Chief Executive would meet separately with the heads of Business Group, Credit Risk Group and the General Counsel to discuss further.

**Action: Secretary to arrange**

- 1.6 EC agreed that the project team should go ahead with planned meetings with the banks.

Main features document

- 1.7 EC noted that amendments to the Main Features document had been provided by GCO. EC invited any further comments to be sent to Andrew Barton.

**Laurence Lily**

**Chief Executive's Office**



## **MINUTE OF EXECUTIVE COMMITTEE MEETING –24/06/14**

Present: David Godfrey  
Steve Dodgson  
Cameron Fox  
David Havelock  
Lucy Wylde

Attending: Paul Croucher  
Olga Crosse

Apologies: Stephen Lawrenson

Secretary: Laurence Lily

### **1 Draft minute of 16 June meeting and matters arising**

1.1 The draft minute was approved. EC noted the actions from previous meetings that were completed or in hand.

### **2 Business Review: TFIS**

2.1 EC received an update on TFIS business and operations, including the growing volume of cases under discussion and the continued development of the products and services offered. EC noted the relative participation of banks and that the Minister would be briefed on this ahead of his meeting with the BBA on 30 June.

### **3 Business Review: BD1 and BD2**

3.1 EC received a full update on project business, including the pipelines of cases under discussion. EC discussed the application of the OECD Common Approaches by UKEF and other OECD-member ECAs. EC noted the potential for secondments of UKTI staff to UKEF in support of HVO work.

3.2 EC asked CXO to circulate the recent UKTI presentation on priority actions for reaching export targets.

**Action: Secretary to arrange**

**Laurence Lily**

**Chief Executive's Office**