



Minutes

EirGrid plc Board Papers — July 2016

MINUTES

MEETING OF THE BOARD OF
DIRECTORS OF EIRGRID plc (No.186)

Place:

Boardroom, The Oval, 160 Shelbourne
Road, Dublin 4

Date: 15th June 2016

Time: 08.30 a.m. – 1. 00 p.m.

Present:

Mr John O'Connor (Chairperson)
Mr Liam O'Halloran
Mr Fintan Slye
Dr Joan Smyth
Mr Richard Sterling
Ms Doireann Barry
Ms Bride Rosney
Dr Gary Healy

Apologies:

Mr Michael Hand

In Attendance:

Mr John Fitzgerald, items 4(a) and 8
Mr Alan Thomson, items 4(c) and 7(a)
Mr Robbie Aherne, item 6
Mr Bill Thompson, item 4(b)
Ms Niamh Cahill, Company Secretary

Minutes

EirGrid plc Board Papers — July 2016

1. Declaration of Directors' Interests

None

2. (a) Approval of Minutes of Meeting 18th May 2016

Decision: Approved subject to amendments

(b) Issues arising from Previous Board Meeting

Decision: Noted

3. (a) Reports of Committees

The Board noted the draft Minutes of the following Committees of the Board, namely: Audit, Grid Infrastructure Projects, Public Affairs and Pensions. The respective Chairpersons highlighted for the Board the key issues arising at their respective meetings.

In addition, the Chairperson of the Pensions Committee confirmed that the Committee was recommending to the Board that this Committee be discontinued and going forward that the Board would handle pension issues.

Decision: Noted

The Chairperson of the Remuneration Committee (as per normal practice) provided a verbal report to the Board on the Remuneration Committee meeting held on 18th May 2016:-

- Reviewed Charter and recommended minor changes;
- Reviewed CE targets with (DCCAE) who attended for this item;
- Received a presentation from Siobhan Toale on Part (2) of the Annual Talent Review which covered new assessment approach to the selection process along with an update on Management appointments;
- Noted that there has been an increase in staff leaving Grid Development;
- Received an update on the external pay environment;

Minutes

EirGrid plc Board Papers — July 2016

- Also looked at diversity in the workplace with an emphasis on gender balance; a number of factors were noted to be influencing this eg. the low number of female engineering graduates applying for jobs compared to males ie 12% of applications received for graduate engineering positions are from females.

(b) Approval of Audit Committee Charter

The Board noted that the Audit Committee had reviewed the Charter in light of the establishment of the Risk Committee and the transfer of risk oversight to the new Risk Committee and agreed to recommend the amendments to the Charter to the Board for approval.

In addition, the Board agreed at paragraph 6 of the Audit Committee Charter, after the word “Directors” in the first sentence, to insert the words “other than the annual accounts for EirGrid Interconnector Limited which will be reviewed by the EirGrid Group Audit Committee in line with the requirements of the Companies Act 2014”.

Decision: Approved

(c) Approval of Letter of Engagement for External Auditors

The Board noted that the Audit Committee had reviewed this letter of engagement for the external auditors and agreed to recommend it to the Board for approval.

Decision: Approved

(d) Approval of GIP Committee Charter

The Board noted that the Grid Infrastructure Projects Committee had reviewed and amended the Charter and agreed to recommend it to the Board for approval.

Decision: Approved

Minutes

EirGrid plc Board Papers — July 2016

(e) Approvals

- **Regional Solution 400kV Series Capacitor Projects**

The Board noted that the Grid Infrastructure Projects Committee had discussed this approval for TSO capital associated with the regional solution and agreed to recommend it for approval by the EirGrid Board.

Decision: Approved

- **West Galway Subgroup Transmission Shallow Work**

The Board noted that the Grid Infrastructure Projects Committee had discussed this approval for:-

- (i) an update to the Capital Approval for TSO costs; and
- (ii) to enter into a project agreement with ESB Networks

and agreed to recommend both items for approval by the EirGrid Board.

Decision: Approved

4. CE Report

The Board discussed the CE Report which contained a summary of the key issues arising in the previous month. The CE provided a verbal update on the following issues:-

- Planning permission for the Oweninny Wind Farm 172MW Phases (1) and (2) has been granted by An Bord Pleanála. Currently EirGrid is assessing the implications of this approval for Grid West;

Minutes

EirGrid plc Board Papers — July 2016

- President Hollande is expected to be conducting an official visit to Ireland on 22nd July;
- The Residential Demand-Side Management pilot programme was launched today in the press and on the EirGrid innovation page website which is being led by Doireann Barry in partnership with Electric Ireland.

(a) Update on North-South Interconnector Project

John Fitzgerald gave a briefing on the key current issues. The Board noted:-

- In respect of Sheehy and NEPPC v An Bord Pleanala, EirGrid and the State High Court case, the Board noted that all parties looked for their costs (including EirGrid) at the cost hearing before the High Court on 13th June. As a result of NEPPC seeking their costs against all the parties, the Judge adjourned the matter to the 29th June and ordered NEPPC to lodge a written submission to which all the parties will be given an opportunity to respond to.
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- The Board noted the opening of the Carrickmacross office.

Decision: Noted

Minutes

EirGrid plc Board Papers — July 2016

(c) Review of Top / Trending Risks

The Board discussed the top and trending risks and gave HIAC feedback.

Decision: Noted

5. Celtic Interconnector

John Fitzgerald provided an update to the Board on the current status of the Project; the Board had a full and open discussion on the Project.

As soon as there is agreement between EirGrid and RTE on the scope and cost of the phase then this will be brought for approval in line with the Group Control Framework. An update will be provided at the July Board meeting.

Decision: Noted

6. 2016-17 Business Plan Priorities

The Board discussed the draft presentation given by Robbie Aherne on the draft Business Plan Priorities for the 2016/17 Business Plan.

It was an opportunity for the Board to provide their input to the Group Business Plan which is being developed and will be presented for approval at the September Board Meeting.

Minutes

EirGrid plc Board Papers — July 2016

The Business Plan will take account of the amendments to the strategy discussed by the Board. The Board gave specific feedback on some of the priorities which the CE and Robbie Aherne undertook to take on board. It was noted that these priorities are focused internally and are acknowledged to be very helpful in giving staff guidance on what the Company's priorities are.

The Board acknowledged that the priorities could not at that stage take account of Brexit or the or other matters outside the Company's control.

Decision: Noted

7. Companies Act 2014

a) Directors Compliance Statement

HIAC explained the process being put in place to ensure compliance with the Companies Act 2014 in respect of the requirements covering the annual Director's Compliance Policy Statement.

Decision: Noted

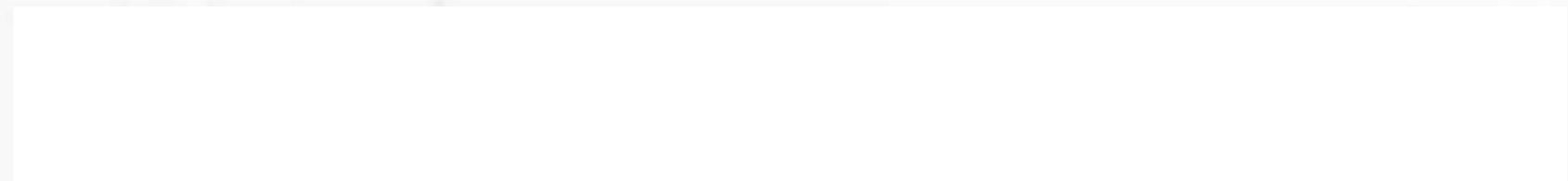
b) Approval of new Constitutions and DAC

Company Secretary explained the requirement to approve the new constitutions for the Company, EirGrid Interconnector Limited (EIL) and EirGrid Telecoms Limited (ETL) together with the conversion of EIL and ETL to a DAC in line with the Companies Act 2014 and the shareholders requirements.

Decision: Approved including the Extract of the Minutes on this item which is set out in Appendix 1.

Minutes

EirGrid plc Board Papers — July 2016



10. Pension Committee close-out

The Board had a discussion on how the Board should take pension matters forward and more particularly, requested a further discussion in the Autumn on comparative state sector employers pension arrangements as well as the financial assessment of the levers available to the company in the context of any consideration of a change or amendment to the current pension arrangements.

Decision: Approved

Minutes

EirGrid plc Board Papers — July 2016

11. Formal Correspondence to and/or from EirGrid plc

Decision: Noted. The Board recorded its appreciation to Gerry Walsh of the work he did whilst a Board member.

12. Any Other Business

- The Board agreed to postpone its off-site 2017 Board meeting to Cork to later in the year.
- The Board agreed that Michael Hand be appointed to the Risk Committee to replace Gerry Walsh with immediate effect;

a) Items for future Board meetings

None

b) Ratification of Sealed Documents

The Board approved the ratification of the affixing of the Company Seal to two [REDACTED]

Decision: Ratified

The next Board Meeting of EirGrid is scheduled to take place on Wednesday 20th July 2016 at 08.30am in the Boardroom of the Oval, 160 Shelbourne Road, Ballsbridge, Dublin 4.

There being no further business the meeting closed.

John O'Connor
Chairperson

Appendix (1): Updated Formal Minutes attached

Final Minutes of Board Meeting 15th June 2016 approved at Board meeting on 20th July 2016

EB/2016/NC/EB01

Minutes

EirGrid plc Board Papers — July 2016

Appendix (1): Updated Formal Minutes attached

Extract of Minutes of Meeting of the Directors of EirGrid plc (“the Company”) held at The Oval, 160 Shelbourne Road, Ballsbridge, Dublin 4 on the 15th day of June 2016 at 08.30am.

PRESENT:

John O'Connor (Chairperson)
Fintan Slye (Chief Executive)
Doireann Barry
Richard Sterling
Gary Healy
Bride Rosney
Liam O'Halloran
Joan Smyth

APOLOGIES:

Michael Hand

IN ATTENDANCE:

Niamh Cahill (Company Secretary)
Alan Thomson (Head of Internal Audit and Compliance)

QUORUM:

The Chairperson noted that a duly constituted quorum was present and that the meeting had been convened in accordance with the Company's Articles of Association.

**DECLARATION OF
DIRECTORS
INTERESTS:**

None.

Final Minutes of Board Meeting 15th June 2016 approved at Board meeting on 20th July 2016

EB/2016/NC/EB01

Minutes

EirGrid plc Board Papers — July 2016

**UPDATE OF
MEMORANDUM AND
ARTICLES OF
ASSOCIATION:**

The Chairperson noted the introduction of the Companies Act 2014 (the Act), which had commenced on 1st June 2015.

The Chairperson noted that discussions had taken place with the Department of Communications, Climate Action and Environment (DCCAE) in relation to the transitioning from the existing Memorandum and Articles of Association of the Company to a new Constitution (single document) to comply with the Companies Act 2014.

A draft of the new Constitution which is updating the Memorandum and Articles of the Company was produced to the meeting and the Chairperson noted that the amendments were comprised of the following;

- (i) updating references to the Companies Acts, 1963 to 2013 to the relevant references to the 2014 Act;
- (ii) removal of any references to any SI which has been repealed by the Act;
- (iii) updating some wordings pursuant to the Act;
- (iv) reflecting new formatting requirements set out in Schedule 9 of the Act.

The Chairperson noted that updating of the Memorandum and Articles does not amend the activities or operation of the Company permitted under the relevant legislation and the existing Memorandum and Articles of Association. The Chairperson tabled a draft Constitution comprising of a Memorandum and Articles of Association. The matter was considered and discussed in detail and accordingly IT WAS AGREED TO RECOMMEND to the member that the following resolution be considered and if thought fit passed as a Special

Minutes

EirGrid plc Board Papers — July 2016

Resolution of the Company:-

“THAT the provisions set forth in the newly proposed Company Constitution comprising of a Memorandum and Articles of Association, attached hereto and marked “A”, be approved and adopted as the Constitution of the Company in substitution for and to the exclusion of the existing Memorandum and Articles of Association of the Company subject to any further amendment by the ultimate shareholder.”

Further to having received approval from the members for the aforementioned resolution IT WAS RESOLVED:

“THAT any Director or the Company Secretary be and is hereby authorised to sign the Special Resolution (Form G1).”

The Chairperson advised the Board that EirGrid Telecoms Limited (ETL) and EirGrid Interconnector Limited (EIL), the Company’s wholly owned subsidiaries, were required to convert to one of the new private limited company types, private company limited by shares or designated activity company, pursuant to the Companies Act 2014; and to update their Memorandum and Articles of Association.

He noted that the matter had been brought to the attention of the DCCAE and DPER and it had been agreed that the appropriate structure/company type for both subsidiaries was a designated activity company (DAC).

Both EIL and ETL met on the 13th May 2016 and agreed to recommend to the Company the conversion to a DAC. After a short discussion, it was agreed to update the Memorandum and Articles of Association of each subsidiary in the format submitted to the meeting for approval.

Minutes

EirGrid plc Board Papers — July 2016

**CONVERSION OF
SUBSIDIARIES TO
DESIGNATED
ACTIVITY COMPANY:**

IT WAS RESOLVED THAT any director or the company secretary be and is hereby authorised to sign the necessary written resolutions on behalf of the Company to give effect to the follow resolutions in respect of each subsidiary upon receipt of formal approval from DCCAE and DPER to the following:-

As an Ordinary Resolution:

THAT the Companies EIL and ETL be converted to a DAC in accordance with Section 56 (1) and 63 of the Companies Act 2014.”

As a Special Resolution:

THAT the provisions set forth in the newly proposed Company Constitutions for EIL and ETL comprising of a Memorandum and Articles of Association, attached hereto and marked “B” and “C”, be approved and, with effect from the date of conversion to a DAC, adopted as the Constitution of the Company in substitution for and to the exclusion of the existing Memorandum and Articles of Association of the Company, subject to any further amendment by the ultimate shareholder.

**COMPANY
SECRETARIAL
MATTERS:**

Further to having received approval from the ultimate shareholders DCCAE and DPER, the Company Secretary was instructed to prepare and submit to the Companies Registration Office, as soon as practicable, the following statutory forms in relation to the updating of the subsidiary Companies Constitutions:

- Form G1 and
- Company Constitution

The Company Secretary was further instructed to attend to any
Final Minutes of Board Meeting 15th June 2016 approved at Board meeting on 20th July 2016

EB/2016/NC/EB01

Minutes

EirGrid plc Board Papers — July 2016

administrative matters resulting from the updating of the subsidiary Companies Constitutions and to provide the DCCAE with a copy of the updated Company and subsidiaries Constitutions in due course.

CLOSE:

This concluded consideration of this item.


CHAIRPERSON

DATE



Minutes

EirGrid plc Board Papers — 20 July 2016

**MINUTES OF SPECIAL CONFERENCE
CALL MEETING OF THE BOARD OF
DIRECTORS OF EIRGRID plc (No.186)**

Place:

Date: 8th July 2016

Time: 10.30 a.m. – 11.00 a.m.

Present:

Mr John O'Connor (Chairperson)
Mr Liam O'Halloran
Mr Fintan Slye
Dr Joan Smyth
Ms Doireann Barry
Ms Bride Rosney
Dr Gary Healy
Mr Michael Hand

Apologies:

Mr Richard Sterling

In Attendance:

Ms Niamh Cahill, Company Secretary
Mr Cormac O'Rourke, Goodbody's
Mr Aidan Skelly
Mr John Fitzgerald

Minutes

EirGrid plc Board Papers — 20 July 2016

1. Declaration of Directors' Interests

None

2. Celtic Interconnector Project – Approval for Next Phase *

Fintan Slye and John Fitzgerald updated the Board on the developments in the negotiations with Rte. This follows on from recent board meetings when the project was discussed in detail (specifically in February, March, April, May and June 2016).

It was confirmed to the Board that EirGrid has the necessary finances to enter into this next phase.

The Board discussed the scope of the next phase which is expected to cover all the preparatory work necessary for the consenting phase but to stop at actually submitting any applications for consent; progressing community consultation and stakeholder engagement; to prepare all the necessary procurement / tender documents but not to issue the tender; and to do further in depth cost benefit analysis on the project.

The Board acknowledged that there would be implications arising from Brexit. The Board noted that on 21 July when President Hollande is on an official visit to Ireland there is a possibility that EirGrid and Rte will sign, in his and the Taoiseach's presence, an agreement on a basis for this next phase by the end of September 2016.

Decision: Approved


John O'Connor
Chairperson

Final Minutes of Board Meeting 8th July 2016 approved at Board meeting on 20th July 2016

EB/2016/NC/EB01