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**Minutes of a LINK Scheme Ltd Board Meeting  
Held on Wednesday 4<sup>th</sup> November 2015  
The Institute of Directors, 116 Pall Mall, London**

**Present:**

Dr. Ken Andrew - Chairman  
Tim Allen  
Jenny Campbell  
Michael Coffey  
John Howells  
Lord David Hunt

**In Attendance:**

Mary Buffee – Secretariat  
Sue Wallace was in attendance from agenda item 4 onwards.

**1. Welcome**

The Chairman noted for the record that Anne Dalglish had resigned as a Board Director with effect from 14<sup>th</sup> October and that the required paperwork has been filed with Companies House. The signatories on the LSL bank account would also be amended.

**ACTION: JOHN HOWELLS.**

**2. Minutes and Matters Arising from the Board Meeting on 9<sup>th</sup> September**

The minutes of 9<sup>th</sup> September had already been approved via e-mail.

The Chairman confirmed that Russell Reynolds had been appointed to support the process of identifying additional Independent Board Directors and they have a long list of strong potential candidates. The next steps are for the Chairman to shortlist candidates to initially discuss with John Howells, and then with Lord Hunt, with the intention of bringing back proposals to the LSL Board and NMC in December. **ACTION: CHAIRMAN.**

It was noted that the NMC has been notified of the PSR's annual governance compliance submission at the October NMC meeting and that this has now been sent to the PSR.

All other actions were complete or are covered in the agenda.

**3. Independent Governance Review (IGR) Workstream and Next Steps on Board Setup**

It was confirmed that the NMC has adopted the recommendations of Lord Hunt's Independent Governance Review in full at its October meeting. Following this, the Chairman has written to the PSR to provide an update. The PSR has subsequently asked for a meeting to discuss the Independent Governance Review in more detail and this has been organised for the 12<sup>th</sup> November.

The immediate priority is to get the new Board established for its first meeting on the 6<sup>th</sup> January. This is the Board meeting by when the existing Member Directors will have resigned. The Board accepted the kind offer of Lord Hunt and Ken Andrew to serve as an Independent Non-Executive Director and Chairman respectively for a new three year

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term. The Chairman is leading the selection of the remaining two Independent Non-Executive Directors for the January meeting. The NMC has been issued with the appointment process for the three categories of new Member Non-Executive Directors, requesting for nominations to be submitted to the Chairman.

Board was updated that draft generic contracts for all Directors are being prepared by A&O and will be presented for Board approval at its December meeting, together with a request to delegate the authority to sign to Ken Andrew (John Howells has this delegated authority in the case of Ken Andrew).

The contract for Ken Andrew in his role as Independent Chairman of LINK Scheme will require novating to LSL at the same time as the restructuring is agreed. The Board approved this on the basis that all terms and conditions will remain unchanged, pending a proposed review by Lord Hunt of the Chairman's and CEO's overall contractual positions that will be proposed to the January Board meeting. The Board delegated authority to John Howells to sign that novation agreement at the appropriate time.

Board was briefed that the new Independent Non-Executive Directors would need to quickly be brought up to speed with the payments industry and LINK. This is, in part, because one of the new Board's important early tasks will be to consider its recommendations to NMC in relation to the approach to a proposed Independent Economic Review of Interchange and associated Terms of Reference. An interchange briefing paper for the Board will be produced to support this. **ACTION: JOHN HOWELLS.**

The Board then discussed the Terms of Reference and timescales for the Independent Economic Review of Interchange, in light of the need to create stability for the Scheme and to enable LSL to compete effectively. This discussion is redacted on commercial grounds.

#### **4. Commercial Workstream**

The board was updated on progress with the Commercial Workstream. This discussion is redacted on commercial grounds.

#### **5. Separation Workstream**

Board was updated on progress with IT, data migration and TUPE. This discussion is redacted on commercial grounds.

#### **6. VocaLink Switch**

Following approval at a previous Board, the Chairman outlined the progress he has made on exploring a potential purchase of the switch from VocaLink. This discussion is redacted on commercial grounds.

#### **7. Scheme Finances**

The Board was provided with an update on finances, highlighting the fact there is currently very limited finance, audit or risk capability within the new LSL organisation. A review will be conducted on what is required to support the new organisation effectively and will be brought to a future Board meeting. **ACTION: JOHN HOWELLS.**

The rest of this discussion is redacted on commercial grounds.

**8. AOB and Date of the Next Meeting**

There were no items of AOB.

The date for the next meeting is Wednesday 2<sup>nd</sup> December at 10.30 at the IOD.