

**Minutes of a Link Scheme Holdings Ltd (the “Company”) Board Meeting  
held on Thursday 4<sup>th</sup> April 2019 at (Redacted on Confidential Grounds).**

**Present:**

Sir Mark Boleat – Chairman  
John Gill  
Tracey Graham  
John Howells  
Lord David Hunt  
Bill Raynal  
Liz Richards  
David Rigney

**Apologies:**

None

**In Attendance:**

Mary Buffee – LINK Scheme Executive  
Mike Knight – LINK Scheme Executive  
Graham Mott – LINK Scheme Executive  
Adrian Roberts – LINK Scheme Executive  
Tom Sleight – LINK Scheme Executive  
Sue Wallace – LINK Scheme Executive

**1. Welcome and Conflict of Interest Declarations**

The Chairman welcomed the Directors and those in attendance to the meeting. He highlighted the key issues affecting LINK which were on the Agenda for the Board’s consideration:

(Redacted on Confidential Grounds).

The Chairman reminded the Directors of their obligations under the Companies Act 2006 and the Articles of Association of the Company to declare the nature and extent of their interests (whether direct or indirect) in a situation in which he/she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. As required by section 175 of the Act and the Articles, each Director (as applicable) confirmed and declared the nature and extent of his/her interest (whether direct or indirect) in accordance with section 175 of the Act and the Articles (the Conflicted Directors).

David Rigney declared his position as Non-Executive Director of Principality Building Society which has a contractual relationship with a Network Member.

**2. Minutes of the Previous Board Meetings and Matters Arising**

The Chairman stated that the minutes of the meetings held on 7<sup>th</sup> March 2019 had already been approved.

All actions from the previous meetings of the Company have been completed or were on the agenda for this or future meetings.

There were three matters arising:

- (i) Directors' LINK e-mail addresses had now been set up and will be used for all e-mail communications with effect from 8<sup>th</sup> April 2019. The e-mail privacy notice will be checked to ascertain whether it should include LSHL and/or LSL. **ACTION : COO.**
- (ii) Directors will be referred to as "*Non-Executive Directors*" in documentation as there is no longer a requirement to use the term "*Independent*".
- (iii) The schedule of Board and Board committee meetings for 2020 will be finalised and Outlook invitations sent to Directors. **ACTION : COO.**

### 3. Committee and Meeting Updates

The minutes of the Audit Committee held on 7<sup>th</sup> March 2019 and the Consumer Council held on 8<sup>th</sup> March 2019 had been circulated prior to the meeting.

Liz Richards (Chair of the Audit Committee) highlighted the main areas covered at the Audit Committee meeting:

- Review of annual internal audit plan with BDO.
- Review of external audit report from PwC and the Company's statutory accounts.
- Review of BDO's extended report on the infrastructure tender.

(Redacted on Confidential Grounds).

The COO and Finance Director were thanked for their efforts in ensuring the internal and external audits had been successfully concluded.

Tracey Graham (Chair of the Consumer Council) summarised the main areas covered at the Consumer Council meeting:

- The PSR had given a useful presentation on its activities.
- There had been a good debate between Council members on the issues on the agenda with a strong strategic perspective taken to tackling consumer financial inclusion issues.

(Redacted on Confidential Grounds).

### 4. CEO's Report

The Board noted the contents of the CEO's Report and discussed a number of the main topics:

### 5. Network Footprint and Associated Commercial Matters

(Redacted on Confidential Grounds).

The Board was updated on the ATM network footprint, the PSR's response to the Access to Cash Report, the PSR's approach to its Annual Planning Event, and the

continuing political and media challenges including the Scottish Affairs Select Committee. The Board was also briefed on the ongoing actions of some deployers in relation to interchange reductions and the resulting retailer and trade association contacts with LINK.

### ***Network Footprint***

(Redacted on Confidential Grounds).

### ***The PSR***

The Board was informed that the PSR's response to the Access to Cash Review is supportive and still being developed. The Board noted that LINK had attended the PSR's annual planning event on 27<sup>th</sup> March with the CEO sitting on the panel for the Access to Cash session. (Redacted on Confidential Grounds).

### ***Press Coverage and Political Interest***

The Board was informed that there continues to be ongoing political interest in LINK, including the provision of written and oral evidence to the Scottish Affairs Select Committee.

### ***Deployer Marketplace Developments***

(Redacted on Confidential Grounds).

### ***Setting Interchange for 2020***

(Redacted on Confidential Grounds).

## **6. Tender Update**

The Board was updated on the progress of the mandated tender.

(Redacted on Confidential Grounds).

## **7. Strategy Event Follow-up**

The Board reviewed the paper "*Draft Strategy Event Conclusions*" summarising the discussion at the Board Strategy Event held on 28<sup>th</sup> March 2019.

(Redacted on Confidential Grounds).

A follow up strategy session will be arranged in the June/July period. **ACTION : CCO.**

The Board reviewed the revised 2019 LINK Scorecard. The Board agreed that the Purpose should be aligned completely with the Objects of the Company in the Articles of Association by moving the need to act in the public interest to the end of the Purpose statement. **ACTION : CCO.**

**The Board approved the revised 2019 LINK Scorecard, subject to making the amendment to the Purpose as noted above.**

## 8. Scheme Finances

The Board was updated on the Scheme's Finances.

(Redacted on Confidential Grounds).

## 9. Executive Risk Summary

The Board noted:

(Redacted on Confidential Grounds).

The Board further noted that a detailed review would be carried out at the Risk Committee meeting which immediately followed the Board Meeting.

## 10. Approval of Report and Financial Statements and PwC Representation Letter

The Board was informed that PwC had presented its report on the 2018 audit at the Audit Committee meeting on 7<sup>th</sup> March 2019. The Audit Committee had reviewed the Company's Report and Financial Statements for the year ended 31<sup>st</sup> December 2018, the Link Scheme Ltd Report and Financial Statements for the year ended 31<sup>st</sup> December 2018, the Going Concern Review and the draft Letter of Representation. The Board noted that the Audit Committee had recommended that the Company's Report and Financial Statements and the Letter of Representation be presented to the Board for approval.

**The Board approved the Link Scheme Holdings Ltd Report and Financial Statements for the year ended 31<sup>st</sup> December 2018, noting the Going Concern Review which underpinned the basis of the accounts preparation.**

**The Board authorised the Chairman to sign the Letter of Representation required by PwC and the CEO to sign the Report and Financial Statements on behalf of the Company. ACTION : COO.**

## 11. Approval of Brand Opposition Policy

The Board reviewed the updated Brand Opposition Policy included in the Board papers which contained minor amendments to the existing policy. The Board noted that the Audit Committee had agreed the proposed changes at its December 2018 meeting and recommended that the updated policy be presented to the Board for approval.

**The Board approved the amended LINK Brand Opposition Policy.**

## 12. Sign-off of BDO Report on Infrastructure Procurement and Member Monitoring Arrangements

The Board reviewed the internal audit reports from BDO on Infrastructure Procurement and Member Monitoring Arrangements and the management responses which were included with the Board papers. The Board noted that both reports, plus the management responses on the Infrastructure Procurement Report, had already been reviewed by the Audit Committee with the recommendation that they be presented to the Board for approval. The management responses on the Member Monitoring

Arrangements Report had been prepared subsequent to the last Audit Committee meeting.

(Redacted on Confidential Grounds).

**The Board approved the BDO Reports on Infrastructure Procurement and on Member Monitoring Arrangements and agreed their recommendations and the management responses.**

### **13. Noting of any E-mail Approvals**

There were no e-mail approvals to note.

### **14. Any Other Business**

There was no other business for the meeting.

### **15. Next Meeting**

The next meeting will be held on Thursday 2<sup>nd</sup> May 2019 at 10.30 am (Redacted on Confidential Grounds).