
**Draft Minutes of a Link Scheme Ltd (the Company) Board Meeting
Telephone Call held on Wednesday 23rd March 2016**

Present:

Dr. Ken Andrew - Chairman
Jenny Campbell
John Howells
Lord David Hunt
Liz Richards
Adrian Roberts
Fiona Walmsley

Apologies: Tracey Graham

In Attendance:

Mary Buffee – Secretariat
Sue Wallace – LINK Scheme Executive

1. Welcome

The Chairman welcomed all board directors (the Board Directors) to the call and thanked them for attending an extraordinary Board to discuss approval of the restructuring deal with VocaLink. The minutes and matters arising from the last Board meeting would be reviewed as normal on the next full scheduled Board meeting on Wednesday 6th April.

The Chairman then referred to the proposed resolutions which were circulated to the Board on Friday 18th March (the Proposed Resolutions). Unless otherwise defined in these minutes, capitalised terms shall have the meaning given to them in the Proposed Resolutions.

The Chairman then set out the e-mail that had previously been circulated to Board on Tuesday 22nd March setting out an additional resolution and also describing how the Board will approach management of any conflict at this meeting. All directors of the Board agreed to the contents of this e-mail, and it is set out below for the record.

ADDITIONAL RESOLUTION (the purpose of this is to give clear authority to individual Directors to consent to the Transaction)

“Any of the directors be and are hereby authorised to issue an unconditional and irrevocable consent to the Restructuring pursuant to clause 7.17(C) of the NMA;”

STATEMENT ON DIRECTORS’ INTEREST (the purpose of this is to demonstrate effective management of conflicts)**Purpose of Meeting**

This is an extraordinary Board meeting called to take decisions on the transaction between SchemeCo, VocaLink and Network Members, and separation from VocaLink (the Transaction). It will not be considering other matters.

Management of Situational Conflicts

1. The chairman reminded the directors of their obligations under the Companies Act 2006 (the **Act**) and the articles of association of the Company (the **Articles**) 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.
2. As required by section 175 of the Act and the Articles, each of Jennifer Campbell, Adrian Roberts and Fiona Walmsley (each a **Member Director**, and together the **Member Directors**) 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**). In particular:
 - (i) Jennifer Campbell declared her existing relationship with YourCash, being a Network Member;
 - (ii) Adrian Roberts declared his existing relationship with Bank of Ireland, being a Network Member;
 - (iii) Fiona Walmsley declared her existing relationship RBS, being a Network Member; and
 - (iv) Each Member Director declared his/her interest in connection with his/her appointment to the board of the Company.
3. The directors (other than the Conflicted Directors) authorised the situational conflict referred to in paragraph 2 above and any potential or actual conflicts that may reasonably be expected to arise in connection with such situational conflict in accordance with section 175 of the Act and article 16 of the Articles.
4. It was noted that, in accordance with the Act and the article 16.4 of the Articles, that the authorisation referred to in paragraph 3 would only be effective if:
 - (i) any requirement as to quorum at any meeting of the directors at which the matter is considered is met without counting the Conflicted Directors; and
 - (ii) the matter was agreed without the Conflicted Directors voting or would have been agreed if their votes had not been counted.

Management of Transactional Conflicts

5. The Chairman reminded the directors of their obligations under the Act and the Articles to declare the nature and extent of their interests (whether direct or indirect) in any proposed or existing transaction or arrangement of the Company and update any declaration of interests which has become inaccurate or incomplete.
6. As required by section 177 of the Act and the Articles:
 - (i) each Member Director confirmed and declared the nature and extent of his/her interest in the proposed transaction and other arrangements to be considered at the meeting in accordance with section 177 of the Act and the Articles by virtue of his/her relationship with the relevant Network Member (as disclosed above) and his/her appointment to the board of the Company (as disclosed above) in relation to the matters to be considered at the meeting, including the approval and entry into the Transaction Documents (as defined below); and

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- (ii) Ken Andrew confirmed and declared the nature and extent of his interest in the proposed transaction and other arrangements to be considered at the meeting in accordance with section 177 of the Act and the Articles in relation to the matters to be considered at the meeting, including the transfer of the Contracts (as defined below) and in particular, the novation agreement between VocaLink, the Company and Ken Andrew.
7. Tracey Graham, John Howells, Lord David Hunt and Elizabeth Richards confirmed that they had no direct or indirect interest in any way in the proposed transaction and other arrangements to be considered at the meeting which they were required by section 177 of the Act and the Articles to disclose.

It was noted that each Director present was entitled to vote on the business to be transacted at the meeting and be counted towards the quorum present notwithstanding any interest in the proposed transaction, provided that the same had been disclosed to the board as required by section 177 of the Act and the Articles.

2. New Restructuring Agreements with VocaLink

The Board discussed the restructuring deal with VocaLink and noted VocaLink's written agreement to the deal, subject to no Network Member serving notice to resign or withdraw from the Network Members Agreement (the NMA) prior to Friday 1st April.

The Board discussed the LINK Brand (the Brand), this discussion has been redacted due to its confidential nature.

It was noted that all Transaction Documents previously circulated were unchanged other than the documents circulated with the Board papers for this meeting. This means that the position on matters such as liability in respect of the unchanged previously circulated documents is unchanged from the previous approvals given by Board.

For the record, the Chairman confirmed that he had already spoken with Tracey Graham who confirmed her support for all the resolutions on restructuring as she was unable to attend the meeting.

The Chairman put the following resolutions to the Board:

1. the entry by the Company into the Transaction Documents and the performance by the Company of its obligations therein would promote the success of the Company, having regard to the relevant factors set out in section 172 of the Companies Act 2006;
2. the Transaction Documents be and are hereby approved in the form in which they had been produced to the meeting;
3. any of the directors be and are hereby authorised to issue an unconditional and irrevocable consent to the Restructuring pursuant to clause 7.17(C) of the NMA;
4. any of the directors (or, in the case of a deed, any director in the presence of a witness who attests the signature or any two directors) be and are hereby authorised to sign on the Company's behalf the Transaction Documents; and
5. any of the directors (or, in the case of a deed, any director in the presence of a witness who attests the signature or any two directors) be and are hereby authorised to sign on the Company's behalf any documents which any director(s) deem necessary or desirable to effect the novation of the Contracts (as defined in the APA) to the Company.

These five resolutions were unanimously agreed to by the Board. John Howells was authorised to progress with the restructuring as agreed. **ACTION: JOHN HOWELLS.**

3. AOB

In preparation for separation, the Board was then asked to consider the Death in Service Arrangements and Group Income Protection Arrangements that now need to be put in place for staff transferring. Both arrangements have been set up by RSM and their various advisors on behalf of the Company. The Board approved the circulated documents and delegated authority to sign to Ken Andrew and John Howells. **ACTION: CHAIRMAN AND JOHN HOWELLS.**

The date of the next meeting is Wednesday 6th April at 33 St James's Square, SW1Y 4JS.