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**Minutes of a Link Scheme Holdings Ltd (the “Company”) Board Meeting held on Thursday 3<sup>rd</sup> May 2018 (Redacted under Confidential Grounds)**

**Present:**

Sir Mark Boleat - Chairman  
Tracey Graham  
John Howells  
Lord David Hunt  
Liz Richards  
Adrian Roberts  
Fiona Walmsley

**Apologies:**

None

**In Attendance:**

Mary Buffee – LINK Scheme Executive  
Mike Knight – The FDCentre  
Graham Mott – LINK Scheme Executive  
Sue Wallace – LINK Scheme Executive

***Chair of Access to Cash Review (items 1 and 2)***  
(Name redacted under Confidential Grounds)

**1. Welcome**

The Chairman welcomed the Directors and those in attendance, particularly (Name redacted under Confidential Grounds) who has been appointed as the Independent Chair of the Access to Cash Review, to the meeting.

**2. Presentation by the Independent Chair of the Access to Cash Review**

(Name redacted under Confidential Grounds) made a presentation to the Board outlining her planned approach to the Access to Cash Review and her thinking so far.

The Board was informed that the Access to Cash Review’s objective is to ensure that there remains an effective and inclusive cash access service that meets the needs of all consumers, regardless of their personal circumstances, and will therefore:

- Understand consumer needs and implications for cash access requirements over the next five to fifteen years, including who will be left dependent on cash.
- Review the evidence on future trends in cash usage and ATM coverage.
- Identify and analyse options for retaining nationwide access to cash.
- Propose a way forward, including the identification of the infrastructure needed to provide cash, and who should pay for it.

At (Name redacted under Confidential Grounds) request, the Directors gave their views on what would constitute success for the Review from LINK’s perspective, which included:

- Providing guidance to LINK on what needs to be done.
- Increasing consumer group engagement, including informing the Consumer Council's ongoing work.
- Assessing the importance of FinTech over the long term.
- Providing a better understanding of demographic and regional factors and trends in other countries which might be relevant to the UK.
- Engaging with key stakeholders, including parliamentarians.
- In general, providing a better level of understanding of views, issues, and trade-offs.

The Board noted that the kick-off meeting for the Review Panel would be held in May and that it intended to complete its work by March 2019.

The Chairman thanked (Name redacted under Confidential Grounds) for sharing her initial thinking on the Review which the Board found really helpful.

(Name redacted under Confidential Grounds) *left the meeting.*

### **3. Conflict of Interest Declarations**

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).

In particular:

- (i) Adrian Roberts declared his existing relationship with Bank of Ireland, being a Network Member and a shareholder of Vocalink.
- (ii) Fiona Walmsley declared her existing relationship with RBS, being a Network Member and a shareholder of Vocalink.

### **4. Minutes of the Previous Board Meeting and Matters Arising**

The Chairman stated that the minutes of the meeting on 5<sup>th</sup> April 2018 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 no matters arising.

### **5. CEO's Report**

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The Board noted the contents of the CEO Report and that the key matters were covered by separate agenda items.

(Redacted under Confidential Grounds)

The Board noted that there was no evidence that the recent TSB IT problems had led to changes in transaction levels.

## 6. Progress of the Mandated Tender

The Board discussed the update on the progress of the mandated tender.

(Redacted under Confidential Grounds)

## 7. Update on Interchange and the Enhanced LINK Financial Inclusion Programme

The Board was provided with an update on the interchange position and the work underway to establish the new Financial Inclusion Programme (FIP) and reporting.

(Redacted under Confidential Grounds)

## 8. Agenda item redacted under Confidential Grounds

## 9. Approach to HM Treasury's Call for Evidence on "Cash and Digital Payments in the New Economy"

The Board considered LINK's draft response to the Treasury's Call for Evidence on Cash and the Digital Economy. It was agreed that the response would benefit from making it a more substantive, public document including reference to the Access to Cash Review. The denominations in some of the graphs also need to be clarified. **ACTION : CEO/HEAD OF STRATEGY.**

The Board agreed to delegate finalisation of the response to the Chairman and CEO who would circulate a final draft to the Board prior to submission. **ACTION : CHAIRMAN/CEO.**

## 10. Scheme Risk Management

The Board reviewed and discussed the risk position as shown in the Risk Management Dashboard, which consisted of the following reports:

- Overview on Risk Management.
- Risk Summary.
- Risk Register Overview.
- Operational Risk Management.
- Member Risk Management.

- LSHL Cyber Resilience.
- GDPR 12 Step Plan.

(Redacted under Confidential Grounds)

## 11. Scheme Finances

The Board was updated on the Scheme's Finances.

(Redacted under Confidential Grounds)

## 12. Approach to Information Security Management

The Board was informed of the proposed approach to the development of a LINK Scheme Information Security Strategy and the implementation of the LINK Scheme Cyber/Information Security Management System (ISMS). The Board noted that this is required as part of the ongoing development of the end-to-end systemic risk management approach.

## 13. Plan for Governance Review Effectiveness

The Board considered the proposed approach to the annual governance effectiveness review. The Board agreed that this year's review would focus on the efficiency and effectiveness of the Board post the implementation of the "Second Governance" changes ie those changes implemented on 1<sup>st</sup> October 2018 and which were necessary to support the requirements of the Code of Practice and Supervisory Statement. The Board agreed that the review should take place during the course of May with the results brought back to a later Board meeting. The Chairman will arrange individual review meetings with Directors during that period. **ACTION : CHAIRMAN.**

## 14. Noting of any Email Approvals

There were no e-mail approvals for the meeting to note.

## 15. Any Other Business

### (i) **RemCom**

Lord Hunt (Remuneration Committee Chairman) provided an update of the meeting that had taken place immediately prior to the Board Meeting:

(Redacted under Confidential Grounds)

### (ii) **Board Strategy Day**

The Board agreed that it would be sensible to delay the planned Board Strategy Day until later in the year when the new Directors had joined. **ACTION : CHAIRMAN/CEO.**

## **16. Next Meeting**

The next meeting will be held on Thursday 7<sup>th</sup> June 2018 at 10.30 am (Redacted under Confidential Grounds)

