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**Minutes of a Link Scheme Holdings Ltd (the “Company”) Board Meeting  
held on Thursday 1<sup>st</sup> June 2017**

**Present:**

Mark Boleat - Chairman  
Tracey Graham  
John Howells  
Lord David Hunt (by phone, Items 1-7)  
Liz Richards  
Adrian Roberts  
Jonathan Simpson-Dent  
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

***Bank of England, Financial Market Infrastructure Directorate***

Yannick Cox – Head of Division, Supervision (Items 1-2)  
Vicky Foreman – LINK Supervisor (Items 1-2)  
Justin Jacobs – Senior Manager (Items 1-2)

**1. Welcome**

The Chairman welcomed the Directors and the Bank of England representatives to the meeting.

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, Adrian Roberts, Jonathan Simpson-Dent 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) Adrian Roberts declared his existing relationship with Bank of Ireland, being a Network Member and a shareholder of VocaLink.
- (ii) Jonathan Simpson-Dent declared his existing relationship with Cardtronics, being a Network Member.

- (iii) Fiona Walmsley declared her existing relationship with RBS, being a Network Member and a shareholder of VocaLink.

## 2. Presentation from the Bank of England on its Priorities for LINK

Yannick Cox opened the discussion by thanking the Board for inviting the Bank to the meeting. She noted that the Bank valued the open and constructive discussion with the Board and the LINK Scheme Executive.

(Part of this discussion has been redacted under confidential grounds.)

At the conclusion of the discussion, Yannick Cox thanked the Board for its constructive response to the Priorities, and looked forward to continuing the good and productive relationship.

The Chairman thanked the Bank representatives for attending the meeting and said that it had been a useful discussion. It was now down to the Board to agree how to take this process forward.

*The Bank of England representatives left the meeting.*

## 3. Minutes of the Previous Board Meeting and Matters Arising

The Chairman stated that the minutes of the meeting on 4<sup>th</sup> May 2017 had already been approved.

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

There was one matter arising.

### ***LINK App***

Mary Buffee provided the Board with an update on the performance of the LINK App since its launch on 28<sup>th</sup> April 2017. To-date there had been 5,000 downloads and 18,000 searches. Stakeholder feedback has been generally positive. The main challenge is improving the accuracy of geodata for ATMs where post codes are currently used.

A further update to the Board will be provided within the next two months.

**ACTION : MARY BUFFEE**

## 4. Discussion of the Bank's Priorities

The Board discussed the Bank's Priorities as presented earlier in the meeting.

(This has been redacted under confidential grounds.)

## 5. CEO's Report

The CEO Report was noted.

The Board requested that key data be included in the report each month in order to give context and show trends. **ACTION : CEO**

## 6. Working Group Update and Cost Study Approach

The Board was updated on the Interchange Working Group's progress on developing the interchange strategy.

In summary, the CEO reported that the Interchange Working Group was making good progress and there was no immediate risk to the LINK Network.

(Part of this discussion has been redacted under confidential grounds.)

In the context of the above, the Directors discussed the approach to the dissemination of the results of the Cost Study and the accompanying vote, which has previously been held in June. It was agreed that a "Business as Usual" approach should stand until such time as an alternative interchange mechanism is agreed by Members following a recommendation by the Interchange Working Group. The CEO will write to Network Members and inform them that this will be the approach. **ACTION : CEO**

## 7. Update on Communication with the PSR

The Board was informed of the latest communication with the PSR following the Chairman's letter to Hannah Nixon dated 8<sup>th</sup> May 2017.

(Part of this discussion has been redacted under confidential grounds.)

An update to the Board will be provided on the outcome of this meeting. **ACTION : CHAIRMAN/CEO**

*Lord David Hunt left the meeting as a result of a telecommunications failure.*

## 8. Agenda Item 8

This agenda item has been redacted under confidential grounds.

## 9. Approval of the Enterprise Risk Management Framework including the Risk Appetite

The Board reviewed the Enterprise Risk Management Framework (ERMF) and Risk Appetite documents as presented. It was noted that these documents embody the position as of today and not necessarily what the Bank of England may require in the future. The Board requested that a fifth category, Cyber Risk, be separately identified rather than integrated within the four existing categories (namely, Strategic Risk, Financial Risk, Compliance, Regulatory and Legal Risk, and Operational Risk). It was also noted that the Company's Risk Appetite is different for each type of risk.

Subject to the above comments, which will be reflected in future iterations, the Board approved the ERMF and the Risk Appetite. **ACTION : COO**

## 10. Scheme Governance Summary Papers

The Board noted the summary of the governance and contractual arrangements implemented on 1<sup>st</sup> May 2017 including the guidance notes prepared by RPC.

## 11. Approval of the Cyber Strategy

The Board reviewed the Cyber Strategy and Implementation Plan as presented. It was again noted that these documents represent the position as of today and not necessarily what the Bank of England may require in the future. With that caveat, the Board confirmed that it approved the Cyber Strategy and Implementation Plan.

Given the cost of implementation, the issue of whether cyber (and shared services generally) might be done jointly with other schemes, will be added as a topic for the Board Strategy Day on 24<sup>th</sup> July 2017. **ACTION : CEO**

## 12. Approval of the Information Security Policy

The Board reviewed the Information Security Plan as presented, once again noting that these documents represent the position as of today and not necessarily what the Bank of England may require in the future.

It was noted that the Policy would need to be updated to be fully compliant with the General Data Protection Regulation and that this is in hand. **ACTION : COO**

It was also noted that the wording in the table in Section 2.3 of the Policy should be revised to:

- (i) Clarify the groups of people who can access each Security Level.
- (ii) Show how Board papers and communication with Board members fitted into the Policy.

**ACTION : COO**

Subject to the above, which will be reflected in future iterations, the Board approved the Information Security Policy.

The Board requested that consideration should be given to the digital distribution of Board papers for future meetings through an appropriate software solution. **ACTION : COO**

The Board requested a report showing the number of Members operating under waivers for non-compliance and the nature of these. **ACTION : COO**

## 13. Scheme Risk Management

The Board reviewed the overall risk position summarised in the Risk Management Dashboard.

The Board requested that the mitigation actions recorded in the Risk Register be included in the Board report going forward. **ACTION : COO**

#### **14. Scheme Finances**

The Board was updated on the Scheme Finances.

##### ***a) 2017 Actuals to-date and Forecast***

##### ***b) 2018 Budget Update***

(The Board discussed the Scheme Finances but has been redacted due to confidentiality.)

#### **15. Agenda Item 15**

(This agenda item has been redacted under confidential grounds.)

#### **16. Proceedings of Link Scheme Ltd**

The Board agreed that it had received and reviewed the minutes of the Link Scheme Ltd Board meeting dated 4<sup>th</sup> May 2017. The Board agreed that it supports those decisions taken by Link Scheme Ltd at that meeting in the event that they impact Link Scheme Holdings Ltd.

#### **17. Any Other Business**

##### ***Contactless ATMs***

The Board was informed that some Members had asked the Scheme to look at the potential for contactless ATMs.

(Part of this discussion has been redacted under confidential grounds.)

#### **18. Next Meeting**

The next meeting will be held on Thursday 6<sup>th</sup> July 2017 at 10.30 am.