
**Minutes of a Link Scheme Holdings Ltd (the “Company”) Board Meeting
held on Thursday 5th July 2018**

Present:

Sir Mark Boleat – Chairman
John Gill
Tracey Graham (by phone)
John Howells
Lord David Hunt
Liz Richards
Adrian Roberts
Fiona Walmsley

Apologies:

None

In Attendance:

Mary Buffee – LINK Scheme Executive
Sue Wallace – LINK Scheme Executive

1. The Bank of England’s Expectation for LINK

The Chairman welcomed The Bank to the Board meeting to present its Expectations of LINK following its Annual Risk Review. In attendance on behalf of the Bank were Yannick Cox, Phillipa Cohen, and Jennifer Nwaghanata.

The Bank set out its overall assessment and findings as described in its letter sent to LINK on 22nd June 2018. (Redacted under Confidential Grounds)

The Chairman thanked the Bank for its presentation and its team then left the meeting. The Board then approved acceptance of the Expectations and the Priorities as set out in the letter. A formal response will be sent to the Bank. **ACTION: CEO.**

2. Welcome and Conflict of Interest Declarations

The Chairman welcomed the Directors and those in attendance 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, 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 NatWest, being a Network Member and a shareholder of Vocalink.

3. Appointment of John Gill and Recruitment

The Board approved the appointment of John Gill as a Director of LSHL and LSL with effect from 1st June 2018.

The Chairman then provided an update on Director recruitment. (Redacted under Confidential Grounds)

4. Minutes of the Previous Board Meeting and Matters Arising

The Chairman stated that the minutes of the meeting on 7th June 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

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

6. Update on the Access to Cash Review

The Board noted the update on the Review and agreed it would be helpful to share the Call for Evidence with the Directors. The Chairman commented that it was a very good document. **ACTION: HEAD OF STRATEGY.**

7. Update on Reviewing Interchange

Adrian Roberts and Fiona Walmsley left the meeting for this agenda item.

(Redacted under Confidential Grounds)

Adrian Roberts and Fiona Walmsley then re-joined the meeting.

8. Financial Inclusion Programme Update and PSR Reporting

The Board noted the progress with the implementation of the Programme and agreed the proposed reporting for the PSR and the LINK website. **ACTION: HEAD OF CONSUMER AFFAIRS.**

(Redacted under Confidential Grounds)

9. Update on the Mandated Tender

The COO provided a verbal update on progress with the Mandated Tender including the upcoming supplier presentations on the 10th and 11th July. (Redacted under Confidential Grounds)

10. Scheme Risk Management

The Board discussed and reviewed the risk position as set out in the papers and noted the updated risks. It was also noted that all Red Risks had been discussed under specific agenda items.

In general, the significant ongoing investment in risk management was noted, and the Board welcomed the setting up of the Risk Committee as a key part of helping to manage the overall approach.

(Redacted under Confidential Grounds)

John Gill outlined his priority of getting the Risk Committee established. The first meeting would be scheduled for September. **ACTION: JOHN GILL/COO.**

(Redacted under Confidential Grounds)

Best practice on whether the Chairman should be in attendance or a member of the Risk Committee and of the Audit Committee will be checked with BDO and confirmed separately. **ACTION: COO.**

The CEO, COO and FD will be in attendance at both Committees.

11. Scheme Finances

The Board noted the update on Scheme Finances and approved the following:

(Redacted under Confidential Grounds)

12. Annual Exit Plan

The Board approved the amended Exit Plan relating to the Switching and Settlement Agreement.

13. Audit Committee Terms of Reference

The Board approved the change to the Terms of Reference to reflect the requirement for the Risk Committee and Audit Committee to meet jointly at least annually.

14. Data Protection Policy

The Board approved the changes required to comply with GDPR.

15. Registered Address

The Board approved the change to the registered address. The new address will be Fifth Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL. An e-mail vote will now be

issued to the LSL Board and subject to approval the appropriate paperwork will be submitted to Companies House. **ACTION: COO.**

16. E-mail Approvals

There were no e-mail approvals to note.

17. AOB

The Chairman thanked Fiona Walmsley and Adrian Roberts for their valuable contributions to the Board over the last couple of years and noted their resignations and that this will be their last meeting. Directors' resignations will be filed at Companies House. **ACTION: COO.**

The Board discussed the proposed meeting dates for 2019.

(Redacted under Confidential Grounds)

18. Next Meeting

The next meeting will be held on Thursday 6th September 2018 at 10.30 am (Redacted under Confidential Grounds)