
**Minutes of a Link Scheme Ltd (the “Company”) Board Meeting
Telephone Call held on Friday 20th January 2017**

Present:

Dr Ken Andrew - Chairman
Tracey Graham
John Howells
Lord David Hunt
Adrian Roberts (except item 3)
Jonathan Simpson-Dent (except item 3)
Fiona Walmsley (except item 3)

Apologies:

Liz Richards

In Attendance:

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

1. Welcome

The Chairman welcomed the Directors to the meeting. The purpose of the meeting was to review the Board strategy for addressing the interchange issues given the current level of press comment and the papers received from Members prior to the NMC meeting on 26th January 2017.

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.

The Chairman stated that, consistent with previous discussions on interchange, all Directors would participate in the discussion and then the three Member Directors would leave the meeting prior to the decision on the way forward being taken by the Independent Directors.

2. Discussion on Interchange Strategy

John Howells introduced the discussion by stating that the question for the Board to consider was whether:

- (i) To continue with the current strategy for the NMC meeting on 26th January 2017, which was for a vote in principle on a proposed reduction in interchange, and a debate by all Members to understand the overall position. This will then allow the Board to refine its approach based on broad Member feedback, or:
- (ii) To follow a different approach, in which case this would need to be discussed and agreed by the Board.

The Chairman then asked for the views of each Director in turn, which were duly given and discussed. These included the likely outcome of the vote, the need to hear the views of the membership as a whole, and the potential actions of Members. All Directors noted the need to prevent undue consumer concern, for example by airing views in public whilst a way forward is achieved.

3. Decision on Next Steps

Adrian Roberts, Jonathan Simpson-Dent and Fiona Walmsley left the meeting.

Based on the discussion, the Chairman proposed that the Board continues with the current strategy, namely:

- To proceed with the proposal for a vote in principle at the NMC meeting for a reduction in interchange and to allow input from the membership as a whole on the way forward. Based on the feedback from this meeting, the Board would then reconvene to consider its next steps.

A report on the outcome of the NMC meeting on 26th January 2017 would be provided to the Board that evening. **ACTION: CHAIRMAN/JOHN HOWELLS.**

A Board call to consider the outcome of the NMC meeting and the next steps will be arranged for Saturday, 28th January 2017. **ACTION: JOHN HOWELLS.**

The Board supported and approved this approach.

4. Next Meeting

The next meeting will be a Board telephone call on Saturday 28th January 2017 from 10 – 11 am.

The following meeting will be held on Thursday 2nd February 2017 at 10.30 am at 33 St James's Square, London SW1Y 4JS.