
**Minutes of a Link Scheme Holdings Ltd (the “Company”) Board Meeting
held on Thursday 1st July 2021 (Redacted on Confidential Grounds)**

Present:

Sir Mark Boleat – Chairman
John Gill
Tracey Graham
John Howells
Lord David Hunt
Bill Raynal
Liz Richards (via video conference)
David Rigney

Apologies:

None

In Attendance:**LINK Scheme Executive**

Deanne Clifton (via video conference)
Mike Knight
Graham Mott
Adrian Roberts (via video conference)
Tom Sleight
Sue Wallace (via video conference)

1. Welcome and Conflict of Interest Declarations

The Chairman declared that a quorum was present and that the meeting had been duly convened. He welcomed the Directors and those in attendance, noting that the meeting was a welcome return to a face-to-face format, the first of 2021, with video conference to connect those attending remotely. The Chairman highlighted the key topics for the Board’s consideration:

(Redacted on Confidential Grounds)

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).

David Rigney declared his position as Non-Executive Director of Principality Building Society which has a contractual relationship with a Network Member. In addition, he declared his new position as a Partner of Winwood LLP, an Independent Financial Advisor, noted as having no conflicting interests to LINK.

2. Minutes of the Previous Board Meetings and Matters Arising

The Chairman stated that the minutes of the meeting held on 3rd June 2021 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.

3. Committee and Meeting Updates

The approved minutes of the Audit Committee meeting held on 3rd June 2021 had been included in the Board papers for this meeting. Liz Richards (Chair of the Audit Committee) highlighted the main areas covered at the meeting:

(Redacted on Confidential Grounds)

Tracey Graham (Chair of the Consumer Council) briefed the Board on key topics covered at the Consumer Council meeting held on 4th June 2021:

- Introduction of Rachel Bedow, new Policy Lead for the Citizens Advice Bureau.
- A summary of LINK's Financial Inclusion Programme's development and performance, reflecting the multiple initiatives underway and resulting achievements. The Council confirmed its continued support of the Programme and will apprise the Financial Inclusion Commission of this work.
- The Chair's invitation to City Minister John Glen MP to attend the next Consumer Council and visit one of LINK's Community ATMs has had a positive response.
- Barclays publicly stated its commitment to support the rollout of the Counter Terminal Channel.
- Tim Watkin-Rees has retired from PayPoint and the Consumer Council; a replacement has been identified and further details will be provided in September.

4. CEO's Report

The Board considered, in a wide-ranging discussion, the contents of the CEO's Report pertinent to LINK's strategic direction:

(Redacted on Confidential Grounds)

5. Consider Results of Board and Sub-Committee Governance Effectiveness Reviews

The Board considered and discussed the results of the annual review of its governance and effectiveness, alongside the Chairman's feedback noting:

- Strong support for the return to face-to-face meetings, particularly for those staff who have recently been recruited. There is also merit in taking advantage of technology to have virtual meetings with comparable organisations in other countries. **ACTION: Strategy Director to explore virtual meetings with LINK's counterparts overseas.**
- The Board would like more opportunities to be kept up to date with developments in relevant external organisations, e.g. Pay.UK.

- There are considerable offline discussions between individual Board Members and relevant executives. Such discussions can potentially be a problem in some organisations, but they work very well for LINK.
- Board Members generally are satisfied with the governance, strategy and performance of LINK.

The Board concluded that the following categories reviewed were satisfactory:

- Effectiveness of the Board, Audit, Risk and RemNomCom Committees.
- Mix of Committee Members experience and expertise. **ACTION: COO to ensure that the process of appointing and re-appointing Board and Sub-Committee Members is as required by the M&A and terms of reference of sub-committees.**
- Quality of meeting papers and minutes.
- Functionality and access to Diligent.
- Governance documentation.
- Number of physical and remote Board meetings and update sessions per year.

The Board considered the proposed amended Terms of Reference of the Audit Committee. **DECISION: Audit Committee Terms of Reference v8 approved.**

The Board discussed the approach to engagement with, and awareness of, the views of Members. The Board agreed that engagement was good and completed through multiple channels and forums but awareness of the views of Network Members to the Board could possibly be improved. The AGM was agreed as a good potential tool to achieve this. **ACTION: COO to explore re-planning the 2021 AGM as face-to-face and to include extending the AGM invitation to all Directors.**

6. Progressing LINK's Strategy

The Board discussed the update on the progress of LINK's Strategy and endorsed the plan for a Strategy Update Event in December 2021 to validate and further refine LINK's strategic direction.

7. Update on the Access to Cash Action Group

The Board discussed and considered UK Finance's plan for the Access to Cash Action Group, recently launched (Redacted on Confidential Grounds)

8. Progress with Establishing the Counter Terminal Channel

The Board considered a report on progress of establishing the Counter Terminal service into the live service and noted the following points:

(Redacted on Confidential Grounds)

9. Progress with Establishing the Provider of Last Resort

The Board considered the progress being made to establish a Provider of Last Resort (POLR) and noted the following points:

(Redacted on Confidential Grounds)

10. Footprint Report

The Board considered the Footprint Report, outlining LINK's effectiveness in meeting its commitments to consumers and concluded that this was satisfactory.

11. Stakeholder and Communications Update

The Board noted the remainder of the Stakeholder Update, having already discussed, at length earlier in the meeting, the PSR's Five-Year Strategy:

(Redacted on Confidential Grounds)

12. Operational Summary

The Board discussed the key points of the overall operational position of LINK, including the latest Operations Dashboard included in the Board pack:

(Redacted on Confidential Grounds)

13. Risk Summary

The Board reviewed the management of the key risks facing LINK (Redacted on Confidential Grounds)

14. Finance Report and Setting the General Budget for 2022

The Board was updated on the Scheme's Financial position (Redacted on Confidential Grounds)

15. Setting Interchange Fees for the Next Calendar Year

(Redacted on Confidential Grounds)

16. LINK Transactions and Consumers' Use of Cash in 2021

The Board noted the report.

17. Consideration for Approval of Changes to the Members Agreement to Support Members in Resolution

The Board considered the Proposed Amendments to the Members Agreement:

DECISION: The Board approved the Proposed Amendments to the Members Agreement.

18. Consideration for Approval of Updates to the LSL Authorisation Matrix

The Board considered the proposed updates to the LSL Authorisation Matrix.

DECISION: The Board approved the updates to the LSL Authorisation Matrix.

19. Noting of any e-mail Approvals

There were no e-mail approvals to note.

20. Any Other Business

The Board noted the update on the proposed LINK 2022 Annual Release which is not expected to be supported due to the significant cost and sole Member input. The Board will be updated on the conclusion and next steps, by e-mail in late July.

The Board previously noted in May 2021 that Liz Richards' second three-year term of office expires 31st December 2021. Liz Richards thanked the Board for its offer to re-appoint her for a third three-year term but had decided not to seek a further term.

ACTION: RemNomCom was authorised to take the necessary action to seek a new Non-Executive Director.

In accordance with previous years' practice, the Chairman was then asked to leave the meeting for this item in order that the Board, under the direction of the Senior Independent Director, could consider the Chairman's performance over the previous 12 months. This is recorded in a separate note.

21. Next Meeting

The next meeting will be held on Thursday 2nd September 2021 at 10:30am (Redacted on Confidential Grounds)

A Board dinner in London has been organised for Thursday 22nd July for those able to attend.