
**Minutes of a Link Scheme Holdings Ltd (the “Company”) Board Meeting
held on Thursday 7th May 2020 by videoconference**

Present:

Sir Mark Boleat – Chairman
John Gill
Tracey Graham
John Howells
Lord David Hunt
Bill Raynal
David Rigney
Liz Richards

Apologies:

None

In Attendance:

Mike Knight – LINK Scheme Executive
Graham Mott – LINK Scheme Executive
Adrian Roberts – LINK Scheme Executive
Tom Sleight – LINK Scheme Executive
Sue Wallace – LINK Scheme Executive

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 to the meeting. He then highlighted the significant issues affecting LINK which were relevant to the agenda:

- LINK is managing the decline in cash usage effectively and in line with the recently agreed Strategic Plan.
- The coronavirus crisis has speeded up the rate of change rather than altering the direction of market development.
- (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).

Bill Raynal declared his position as a consultant to Scottish Building Society which has a contractual relationship with a Network Member.

David Rigney declared his position as Non-Executive Director of Principality Building Society which has a contractual relationship with a Network Member.

The Chairman informed the Board that he had resigned as chair of Somerset Bridge Insurance Services Ltd (formerly Eldon Insurance Services Ltd) on 31st March 2020.

2. Minutes of the Previous Board Meetings and Matters Arising

The Chairman stated that the minutes of the meeting held on 5th March 2020 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 5th March 2020 had been included in the Board papers for this meeting. Liz Richards (Chair of the Audit Committee) noted that the internal audit function was currently very busy and that the Audit Plan had been updated as a result of the coronavirus crisis. She highlighted the main areas covered at the Audit Committee meeting:

- (Redacted on Confidential Grounds)
- Consideration of the performance of PwC as external auditors, which is satisfactory, and agreement that the arrangement should continue for the next 12 months.

The approved minutes of the Consumer Council meeting held on 12th March 2020 had been included in the Board papers for this meeting. (Redacted on Confidential Grounds)

Lord Hunt (Chair of the Remuneration and Nominations Committee) gave a report on the meeting that had taken place immediately prior to the Board Meeting. (Redacted on Confidential Grounds)

The minutes of the Remuneration and Nominations Committee will be circulated to the Board once finalised. **ACTION: FINANCE DIRECTOR.**

The Board noted the minutes of the Board update calls held on 23rd March 2020, 2nd April 2020, 9th April 2020 and 24th April 2020 so that they form part of the Board's formal records.

4. CEO's Report

The Board noted the contents of the CEO's Report, which summarised the overall position of LINK. The key issues highlighted were:

(Redacted on Confidential Grounds)

5. Footprint Report

The Board noted the Footprint Report, which outlined LINK's effectiveness in meeting its commitments to consumers and communities through the Protected ATM, Retail Centre,

Financial Inclusion, and Community Request initiatives, and the financial impact on Network Members.

The key issues highlighted were:

(Redacted on Confidential Grounds)

6. Communications Update

The Board noted the contents of the update on LINK's communication strategy and its effectiveness. The key issues highlighted were:

(Redacted on Confidential Grounds)

7. Stakeholder Update

The Board considered the update on LINK's engagement with key stakeholders

(Redacted on Confidential Grounds)

8. Review of Specific Direction 8

The Board considered the PSR letter to LINK on 9th March 2020 on the outcome of its first annual review of Specific Direction 8 ("SD8") and LINK's proposed response.

(Redacted on Confidential Grounds)

9. Operational Summary

The Board considered the report on the overall operational position of LINK, including the latest Operations Dashboard, which provided updates in the following areas:

(Redacted on Confidential Grounds)

10. Executive Risk Summary

The Board considered:

- (i) The key risks currently facing LINK and the actions underway to mitigate these.
- (ii) Progress in strengthening LINK's approach to managing risk.

(Redacted on Confidential Grounds)

11. Update on 2020 Board and Committee Effectiveness Reviews

The Board noted the update on progress on this year's Board and Committee Effectiveness Reviews, including an updated set of self-assessment questionnaires following input from the Chairman and the Chairs of the Audit, Remuneration and Nominations, and Risk Committees.

The Board further noted that the timing of the effectiveness reviews for 2020 had been agreed as follows:

- Remuneration and Nominations Committee in May. This was completed at the Remuneration and Nominations Committee meeting immediately preceding this Board meeting.
- Risk Committee in May. As agreed at the previous Board meeting, given the Risk Committee completed an effectiveness review in November 2019, the results of that review will be used for 2020, rather than completing another review.
- Audit Committee in June. The questionnaire will be circulated in good time before the meeting, and the results will be presented to the Audit Committee at its meeting on 4th June.
- Board in July, including a review of the results of the Committee effectiveness reviews.

12. Finance Report

The Board considered the Scheme's Finances.

(Redacted on Confidential Grounds)

13. Update of LINK Consumer Terms of Reference

The Board considered the updated LINK Consumer Council Terms of Reference which were included in the Board pack. (Redacted on Confidential Grounds)

14. Consideration of Report and Financial Statements and PwC Representation Letter

The Board was informed that PwC had presented its report on the 2019 audit at the Audit Committee meeting on 5th March 2020. The Audit Committee had reviewed the Company's Report and Financial Statements for the year ended 31st December 2019, the Link Scheme Ltd ("LSL") Report and Financial Statements for the year ended 31st December 2019, the Going Concern Review and the draft Letter of Representation. The Board noted that the Audit Committee had recommended that the Company's Report and Financial Statements and the Representation Letter be presented to the Board for approval.

(Redacted on Confidential Grounds)

The Board approved the Link Scheme Holdings Ltd Report and Financial Statements for the year ended 31st December 2019 and the Representation Letter, noting the Going Concern Review and Going Concern Review Update which underpinned the basis of the accounts preparation.

**The Board authorised the CEO to sign the Representation Letter required by PwC and to sign the Report and Financial Statements on behalf of the Company.
ACTION: CEO/ FINANCE DIRECTOR.**

On behalf of the Board, the Chair of the Audit Committee thanked the COO and Finance Director for their efforts in bringing the year-end process to a successful conclusion.

15. Update on the Impact of the Coronavirus Crisis on Consumer Cash Usage

The Board considered the paper included in the Board pack “*Impact of the coronavirus crisis*” which was based on research commissioned by LINK, including by YouGov, and LINK’s own data. The Board noted that the coronavirus crisis has forced significant changes in consumers’ behavior with many, although not all, consumers reducing their cash usage and moving to other payment methods. The Board further noted that, despite the reduced usage, there is still £1 billion and 20 million LINK transactions a week.

Directors noted that LINK, through its research and data-gathering activities, is successfully positioning itself as a thought leader on the future of cash.

16. Defence of LINK Mark (Redacted on Confidential Grounds)

(Redacted on Confidential Grounds)

17. Consideration of Updated Anti-Bribery and Corruption Policy and Whistle-Blowing Policy

The Board considered the updated Anti-Bribery and Corruption Policy and Whistle-Blowing Policy, noting that these had been reviewed at the March Audit Committee meeting and recommended to the Board for approval.

The Board approved the Anti-Bribery and Corruption Policy (v1.0 dated 20/02/20) and Whistle-Blowing Policy (v1.0 dated 20/02/20).

18. Noting of any e-mail Approvals

There were no e-mail approvals to note.

19. Any Other Business

There was one item of AOB:

- (Redacted on Confidential Grounds)

20. Next Meeting

The next meeting will be held on Thursday 4th June 2020 at 10.30am by videoconference.