

Minutes of a Link Scheme Holdings Ltd (the “Company”) Board Meeting held on Thursday 2nd May 2019 at the (Redacted on Confidential Grounds).

Present:

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

Apologies:

None

In Attendance:

Mary Buffee – LINK Scheme Executive
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 welcomed the Directors and those in attendance to the meeting. He highlighted the significant issues affecting LINK which were relevant to the agenda:

(Redacted on Confidential Grounds).

The Chairman congratulated Tracey Graham on her election as Councillor for the City of London Cordwainer Ward at the recent by-election.

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.

2. Minutes of the Previous Board Meetings and Matters Arising

The Chairman stated that the minutes of the meeting held on 4th April 2019 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 minutes of the Risk Committee held on 4th April 2019 had been circulated prior to the meeting.

John Gill (Chair of the Risk Committee) highlighted the main areas covered at the Risk Committee meeting:

(Redacted on Confidential Grounds).

The Board discussed the increasing focus on operational resilience by regulators. A short paper will be produced which sets out the issues for LINK to consider in this area, including the requirements in respect of Vocalink and Members. The joint FCA/Bank/PRA paper on operational resilience in the financial sector will also be circulated to Directors. **ACTION : COO/CRO.**

4. CEO's Report

The Board noted the contents of the CEO's Report and discussed the main topics:

(Redacted on Confidential Grounds).

5. Footprint Update

The Board was updated on the ATM network footprint, direct commissioning, PR and public affairs, interchange, and consumer projects.

ATM Footprint

(Redacted on Confidential Grounds).

Direct Commissioning

(Redacted on Confidential Grounds).

PR and Public Affairs

The Board noted the recent activity in the media, including the provision of written and oral evidence by the LINK CEO to the Scottish Affairs Select Committee. The Board was informed that LINK is drafting written evidence for a session on consumer access to cash for the Welsh Assembly with an offer to support with oral evidence. Interest in cash and ATMs remains strong. For example, Which? has called a Cash Summit for June 12th

that will be addressed by John Glen, the Treasury Minister, and includes a presentation from Natalie Ceeney and the PSR CEO.

Interchange

(Redacted on Confidential Grounds).

Consumer Projects

(Redacted on Confidential Grounds).

6. Follow-up from the Strategy Event and Draft LINK Access to Cash Commitment

The Board was updated on the progress being made towards drafting a LINK Access to Cash Commitment for consideration at the next Board Strategy Event in July.

The Board noted the emerging thinking on:

- The basis of a population coverage-based measure for an access to cash commitment.
- The locations where consumers access cash most, which is whilst commuting or visiting retail centres, rather than when making a journey from their home for that dedicated purpose.
- The structure of a reactive commitment which would support requests from local representatives such as MPs and local authorities to improved access to cash.

7. Preparing to Set Interchange for the Next Calendar Year

The Board was provided with background information on the setting of interchange for implementation in January 2020 in preparation for a longer discussion at the June Board meeting. **ACTION : STRATEGY DIRECTOR.**

8. Report on the ATM Marketplace and Access to Cash

The Board considered the draft report on the ATM Marketplace and Access to Cash. After discussion, the Board agreed that it should be reframed to be more focused on the challenges in the market that LINK is specifically facing and what LINK is doing about them. **ACTION : STRATEGY DIRECTOR.**

9. Tender Update

The Board was updated on the progress of the mandated tender.

(Redacted on Confidential Grounds)

The Board was updated on the arrangements for the down-select to preferred supplier session on 6th June and confirmed it was satisfied with the progress on the tender to-date.

10. Board Governance Effectiveness Review

The Board reviewed the proposed questionnaire that will be used to gather views on Board governance and performance effectiveness. The Board noted that the results of the questionnaire will be aggregated and summarised confidentially. **ACTION : FINANCE DIRECTOR.**

The Board noted that the Chairman will arrange individual review meetings with each Director during May. **ACTION : CHAIRMAN.**

The Board agreed the approach to the Board Governance Effectiveness Review as proposed and that it would conduct its Review at the June Board Meeting.

11. Scheme Finances

The Board was updated on the Scheme's Finances and the process leading to the 2020 budget approval at the July meeting.

(Redacted on Confidential Grounds).

12. Executive Risk Summary

The Board was updated on:

- (i) The top risks facing LINK and the actions being taken to mitigate these.

(Redacted on Confidential Grounds).

- (ii) Progress in strengthening LINK's approach to managing risk.

(Redacted on Confidential Grounds).

13. Rule Changes to Support Stronger Member Supervision

(Redacted on Confidential Grounds).

14. Approval of Policy Management Framework

The Board reviewed the Policy Management Framework and the Categorisation of Policies that were included in the Board papers and had been recommended to the Board by the Risk Committee for adoption.

The Board noted that the Consideration Forum for the Conflict of Interest Policy should be amended to be the Audit Committee rather than the Risk Committee. **ACTION : CRO.**

Subject to the amendment for the Conflict of Interest Policy as noted above, the Board approved the Policy Management Framework and the Categorisation of Policies as presented.

15. Noting of any E-mail Approvals

There were no e-mail approvals to note.

16. Any Other Business

There was one item of AOB for the meeting:

(Redacted on Confidential Grounds).

17. Next Meeting

The next meeting will be held on Thursday 6th June 2019 at 12.15 pm (Redacted on Confidential Grounds).

