
Minutes of a Link Scheme Holdings Ltd (the “Company”) Board Meeting

Held on Thursday 2nd September 2021 at 10:30am in Room 401 of the Business Centre - Institute of Directors, 116 Pall Mall, London, SW1Y (with videoconference connection to noted attendees)

Present:

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

Apologies:

None

In Attendance:**LINK Scheme Executive**

Deanne Clifton (via video conference)
Mike Knight
Graham Mott
Adrian Roberts
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 this was the first face-to-face meeting with all Directors physically present for 18 months. He also expressed his thanks to David Rigney for leading an interesting and insightful discussion at the Board dinner the previous evening.

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.

2. Minutes of the Previous Board Meetings and Matters Arising

The Chairman stated that the minutes of the meeting held on 1st July 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 Risk Committee meeting held on 1st July 2021 had been included in the Board papers for this meeting. John Gill (Chair of the Risk Committee) highlighted the main areas covered at the meeting:

(Redacted on Confidential Grounds)

The approved minutes of the Remuneration and Nominations Committee meeting held on 9th August 2021 had been distributed to the Board prior to the Board meeting. Lord Hunt (Chair of the Remuneration and Nominations Committee) noted that a small sub-group, led by the Board Chairman, had started the recruitment process for a new Non-Executive Director (NED) using Nurole.

(Redacted on Confidential Grounds)

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. Update on the Access to Cash Action Group

The Board discussed the update of the work of the Access to Cash Action Group contained in the Board paper, noting that the Group needs to announce progress by the end of the year.

(Redacted on Confidential Grounds)

6. Progress with Establishing the Counter Terminal Channel

The Board considered the update on progress with implementing the Counter Terminal service into the live service as a LINK Counter Terminal transaction. The Board noted the following points:

(Redacted on Confidential Grounds)

7. 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)

8. Footprint Report

The Board noted the Footprint Report, which outlined LINK's effectiveness in meeting its commitments to consumers.

9. Stakeholder and Communications Update

The Board considered the update on LINK's stakeholder engagement and communication strategy.

(Redacted on Confidential Grounds)

10. Consideration for Approval of LINK's Response to the Government's Consultation on Access to Cash Legislation

The Board considered LINK's proposed response to the Government's Consultation on Access to Cash Legislation which was included as an appendix to the Board paper.

(Redacted on Confidential Grounds)

DECISION: Subject to the amendment noted above, the Board approved the proposed response to the Government's Consultation on Access to Cash Legislation.

11. Operational Summary

The Board considered the report on the overall operational position of LINK, including the latest Operations Dashboard included in the supplementary papers pack for the Board meeting. The following points were noted as a result of questions raised by Directors:

(Redacted on Confidential Grounds)

12. Consideration for Approval of Proposed Operational Resilience Impact Tolerances

The Board considered the Impact Tolerances for the approved LINK Important Business Services (IBS) as set out in the paper in the Board pack. The Board noted that the Risk Committee had spent considerable time on this topic and had reviewed this proposal in its July meeting prior to recommending it to the Board for approval.

DECISION: The Board approved the proposed Impact Tolerances as set out in the paper.

13. Consideration for Approval of LINK's Response to the Diversity and Inclusion Discussion Paper

The Board considered LINK's proposed response to the Bank of England's Diversity and Inclusion Discussion Paper DP21/2, as contained in the appendix to the Board paper.

(Redacted on Confidential Grounds)

14. Risk Summary

The Board considered the overview of key risks contained in the Board paper and the attached Key Risks Report.

(Redacted on Confidential Grounds)

15. Consideration for Approval of the Annual IOSCO Submission

The Board considered the completed self-assessment against the PFMI CPMI IOSCO Principles, to be submitted to the Bank for 1st October 2021, as contained in the IOSCO Supplementary Folder to the Board pack. The Board noted that the proposals have been developed and are supported by the Risk Committee.

(Redacted on Confidential Grounds)

DECISION: The Board approved the self-assessment ratings as shown in the Board paper and authorised the CRO to submit the detailed self-assessment response to the Bank by 1st October 2021.

16. Consideration for Approval of LINK's Response to the Senior Managers and Certification Regime (SM&CR) Consultation

The Board considered LINK's proposed response, as included in the supplementary papers to the Board pack, to the Treasury Consultation, "*Senior Managers & Certification Regime - Financial Market Infrastructures*" issued on 20th July 2021.

(Redacted on Confidential Grounds)

17. Finance Report

The Board considered the Scheme's Finances.

(Redacted on Confidential Grounds)

18. Update on Retail Centres

The Board considered the report which provided an overview of branch and ATM provision across the UK's retail centres and the implications for LINK's approach to protecting access to cash, noting that it was a very useful summary.

19. Agenda Item Redacted on Confidential Grounds

20. Consideration for Approval of the Reappointment of all Sub-Committee Members

The Board considered the proposal for the re-appointment of all Sub-Committee members as set out in the Board paper and as agreed by e-mail in August with all re-appointments to be effective from 2nd August 2021. These were as follows:

Remuneration and Nominations Committee:

- Chair: Lord David Hunt.
- Members (Remuneration and Nominations): Sir Mark Boleat, Tracey Graham and David Rigney.

Audit Committee:

- Chair: Liz Richards.
- Members: Bill Raynal, John Gill and David Rigney,

Risk Committee:

- Chair: John Gill.
- Members: Sir Mark Boleat, Bill Raynal and David Rigney.

DECISION: The Board approved the re-appointment of all Sub-Committee members as set out above with all re-appointments to be effective from 2nd August 2021.

The LINK website will be updated to reflect the above. **ACTION: COO.**

21. Consideration for Approval of Amendments to the Amended and Restated Members Agreement and New Switching and Settlement Agreement

The Board considered amendments to the New Switching and Settlement Agreement, the Members Agreement and certain documents comprising the Operating Manual as included in the supplementary papers pack for the Board meeting. (Redacted on Confidential Grounds)

22. Consideration for Approval of the Exit Plan for the New Switching and Settlement Agreement

The Board considered the Exit Plan provided under the new Switching and Settlement Agreement (SSA) which was included in the supplementary papers pack for the Board meeting.

DECISION: The Board approved the Exit Plan for the contract year 1 of the new SSA.

23. Update on the Wind Down Financial Resources Plan

The Board considered the proposal for the refresh of the Recovery and Wind Down Plan.

DECISION: The Board approved that the Recovery and Wind Down Plan will be reviewed every three years at approximately the same time as the Three-Year Strategic Plan, and that the financial assumptions will be reviewed annually.

(Redacted on Confidential Grounds)

24. Consideration for Approval of Financial Inclusion Policies

The Board considered the proposed updates to the three Financial Inclusion Policies which were included in the supplementary papers pack for the Board meeting:

- LINK Protected ATM Policy.
- LINK Policy on Financial Inclusion ATMs in Deprived Areas.
- LINK Retail Centre ATM Policy.

DECISION: The Board approved the amended LINK Protected ATM Policy, the LINK Policy on Financial Inclusion ATMs in Deprived Areas and the LINK Retail Centre ATM Policy.

25. Noting of any e-mail Approvals

The Board noted the following approvals which had previously been given by e-mail:

- 9th July 2021 – Approval of the Major Incident Management and Communication Policy.

26. Any Other Business

There was one item of AOB:

- Tracey Graham (Chair of LINK Consumer Council) provided a brief update of the work on vulnerable customers undertaken by Barclays and NatWest. The presentations that are to be made at the Consumer Council meeting on 3rd September 2021 will subsequently be shared with the Board. **ACTION: CCO.**

27. Next Meeting

The next meeting will be held on Thursday 4th November 2021 at 10:30am (Redacted on Confidential Grounds)

A Board dinner (Redacted on Confidential Grounds) has been organised for Wednesday 3rd November 2021 for those able to attend.