
Minutes of a Link Scheme Holdings Ltd (the “Company”) Board Meeting**Held on Thursday 8th December 2022 at 10:30 am (Redacted on Confidential Grounds)****Present:**

Sir Mark Boleat – Chair
Chris Davis
John Gill
Tracey Graham
John Howells
Lord David Hunt
Bill Raynal
David Rigney

Apologies:

None

In Attendance:**LINK Scheme Executive**

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

1. Opening of Meeting

The Chair declared that a quorum was present and that the meeting had been duly convened.

2. Welcome and Declarations of Interests or Potential or Actual Conflicts

The Chair welcomed Board Directors and members in attendance. Key issues were highlighted for the Board’s consideration as follows:

(Redacted on Confidential Grounds)

The Chair reminded the Directors of their obligations under the Companies Act 2006 (CA2006), together with 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 CA2006 and the Company’s 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.

Chris Davis declared his position as Partner of Kyndryl and Chair of Deal Value Creation Partners.

Tracey Graham declared her position as Non-Executive Director of Close Brothers Bank.

Tracey Graham also declared her position as a Non-Executive Director on the Board of Nationwide. In relation to this declaration, the Board noted that, with regards to any decisions on interchange, Tracey Graham should not take part in the associated votes, although her contributions to the debates would be useful and appropriate.

The Board noted these declarations and agreed that none currently represented a conflict of interest.

3. Minutes of the Previous Board Meetings and Matters Arising

It was noted that the minutes of the meeting held on 4th November 2022 had been approved via e-mail, with all actions having been completed or included as an agenda item for this or future meetings. There were no matters arising.

4. Committee and Meeting Updates

The Board noted the approved minutes from the Risk Committee held on 4th November 2022. John Gill, Risk Committee Chair, summarised the main areas of discussion as follows:

(Redacted on Confidential Grounds)

5. CEO Report

The Board considered the CEO's Report, noting in particular the following points:

(Redacted on Confidential Grounds)

6. Update on the Co-ordinating Body

The Board considered the report on the work of the Co-ordinating Body, noting the following key points:

(Redacted on Confidential Grounds)

7. Consideration for Approval of LINK's Complaint Handling Policy for Co-ordinating Body Activity

The Board considered LINK's draft Complaint Handling Policy for Co-ordinating Body Activity.

(Redacted on Confidential Grounds)

8. (Redacted on Confidential Grounds)

9. Footprint Report

The Board noted the latest ATM Footprint Report, summarising LINK's effectiveness in meeting its commitments to consumers, together with an update on the approach to Counter Terminal Protected locations.

(Redacted on Confidential Grounds)

It was agreed that future Footprint Reports to the Board would include details on the number of Balance Enquiries. **ACTION: CCO.**

10. Stakeholder & Communication Update

The Board reviewed and noted LINK's stakeholder engagement and communication activity.

11. Operational Summary

The Board reviewed the report summarising LINK's overall operational position, including a proposal for Board involvement in the cyber scenario role play and further engagement between the Board and Heads of Department in 2023. It was noted that Heads of Department would be invited to attend the Board dinner in Harrogate in March. **ACTION: CEO.**

(Redacted on Confidential Grounds)

12. Scheme Governance & Development Summary

The Board noted the report on Scheme Governance and Development, together with an update on the Deposits proposition.

The Annual Assessment of Directors' Independence was considered by the Board. The Board considered whether each of the Directors met the test of independence, based on the criteria in the UK Corporate Governance Code. As part of this, the Board noted that three Directors held or had held shortly before joining LINK, senior positions with LINK Network Members:

- Chris Davis, who had been a senior executive at the Network Member The Co-operative Bank shortly before joining LINK's Board in November 2021. At its meeting on 4th November 2021, the Board had decided that Chris Davis met the test of independence because his employment at The Co-operative Bank ceased as of 31st December 2021 and that he was already on gardening leave. The Board re-affirmed this view and that it considered that Chris Davis continued to be independent.
- Tracey Graham, who has been a Non-Executive Director of the Network Member Nationwide Building Society since September 2022. At its meeting on 1st September 2022, the Board had agreed procedures for handling potential

conflicts of interest in respect of interchange. With regards to decisions on interchange, the Board had agreed that Tracey Graham should not take part in the associated votes, although her contributions to the debates would be useful and appropriate. The Board had then decided that, taking this into account, Tracey Graham met the test of independence. The Board re-affirmed this view and that it considered that Tracey Graham continued to be independent.

- Bill Raynal, who was a senior executive at the Network Member YourCash shortly before joining LINK's Board in July 2018. The Board noted that, as it was more than three years since Bill Raynal had had any role in YourCash, this position was no longer a consideration, but regardless of this the Board re-affirmed that it considered that Bill Raynal continued to be independent.

The Board therefore agreed that all of the Non-Executive Directors are considered to be independent.

It was agreed that the Annual Assessment of Directors' Independence would form part of the annual Board Effectiveness Review going forward. **ACTION: CRO.**

13. Interchange Matters

(Redacted on Confidential Grounds)

14. Risk Report

The Board considered the assessment of the overall risk position of LINK.

The CRO provided an update on the Risk-Focused Strategy Event to be held on 2nd February 2023.

15. Finance Report

The Board discussed the Scheme's overall financial position and noted the following:

(Redacted on Confidential Grounds)

16. Approval of the Cyber Security Strategy 2022-2024

The Board considered the 2022-2024 Cyber Security Strategy as recommended by the Risk Committee.

DECISION: The Board approved the 2022-2024 Cyber Security Strategy.

17. Approval of LINK's Financial Resilience Annual Report

(Redacted on Confidential Grounds)

18. Approval of LINK's Business Resilience Management Framework

The Board considered the recommendation from the Risk Committee to approve LINK's approach to Business Resilience Management.

DECISION: The Board approved the proposed approach to Business Resilience Management.

19. (Redacted on Confidential Grounds)

20. Annual Review and Approval of Policies Owned by the Chief Operating Officer

The Board considered approval of the following Policies, as recommended by the Risk Committee:

- Health and Safety Policy.
- Travel and Expenses Policy.

DECISION: The Board approved the proposed Health and Safety Policy and the Travel and Expenses Policy.

21. Strategic Plan

The Board considered and noted the refreshed Strategic Plan and considered the proposed Scorecard performance for 2022 and new Scorecard for 2023.

DECISION: The Board approved the proposed Scorecard performance for 2022 and the new Scorecard for 2023.

22. Bank Discussion Paper: Operational Resilience Critical Third Parties

The Board considered LINK's proposed response to the Bank's Discussion Paper DP3/22: Operational Resilience. A minor amendment was requested to paragraph 1 to rectify a typographical error. **ACTION: CRO.**

DECISION: Subject to the amendment above, the Board approved LINK's response to the Bank's Discussion Paper: Operational Resilience Critical Third Parties.

23. Proposed Annual Meeting Cycle 2023

The Board considered the proposed Annual Cycle of Meetings for 2023, which was included in the Board pack. It was noted that the annual assessment of Director's independence could be removed as it was now to be part of the Board Effectiveness Review. **ACTION: CSDO.**

DECISION: Subject to the amendment above, the Board approved the proposed Annual Cycle of Meetings for 2023.

24. LINK Consumer Council's Annual Report

The Board noted LINK's Consumer Council's Annual Report which will be published in the New Year.

25. Noting e-mail Approvals

There were no e-mail approvals to note.

26. Any Other Business

There was no other business.

27. Next Meeting

The next Board meeting will be held on Thursday 2nd February 2023 (Redacted on Confidential Grounds)

A Board Update Call will be held on Thursday 12th January 2023 for one hour at 9.00 am.

The meeting closed at 11.50.