
**Minutes of a Link Scheme Holdings Ltd (the “Company”) Board Meeting
held on Thursday 1st October 2020 by videoconference**

Present:

Sir Mark Boleat – Chairman
John Gill
Tracey Graham
John Howells (*except Item 20*)
Lord David Hunt
Bill Raynal
David Rigney
Liz Richards

Apologies:

None

In Attendance:

Kate Blades – LINK Scheme Executive (*Item 11 only*)
Mike Knight – LINK Scheme Executive (*except Item 20*)
Graham Mott – LINK Scheme Executive (*except Item 20*)
Adrian Roberts – LINK Scheme Executive (*except Item 20*)
Tom Sleight – LINK Scheme Executive (*except Item 20*)
Sue Wallace – LINK Scheme Executive (*except Item 20*)

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, noting that, given it was not possible to hold full face-to-face meetings under the current circumstances, the Board meetings would most likely be held by videoconference for the rest of the year.

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

(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.

2. Minutes of the Previous Board Meetings and Matters Arising

The Chairman stated that the minutes of the meeting held on 3rd September 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 was one matter arising:

- The Policy on the printing of Board papers will be resolved prior to the November Board meeting. **ACTION: COO.**

3. Committee and Meeting Updates

The approved minutes of the Audit Committee meeting held on 3rd September 2020 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)

The approved minutes of the Consumer Council meeting held on 4th September 2020 had been included in the Board papers for this meeting. Tracey Graham (Chair of the Consumer Council) informed the Board that it had been an excellent meeting with a good debate between the members of the Council. The presentation by Professor Griggs was particularly well-received. She highlighted two topics covered at the meeting:

- An update on pay-to-use (“PTU”) activity and in particular LINK’s analysis of the 59 busiest PTU machines in deprived areas where there is a risk of consumer detriment. LINK will visit each of these sites to better understand the reason for the high usage. A report will be produced for the next Consumer Council meeting in December. This report will also be provided to the Board. **ACTION: CCO.**
- The update on the Terminal Trial which the Council strongly supports.

Directors discussed the following points:

(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)

A screenshot of the Board meeting videoconference will be provided for the next LINK staff magazine. **ACTION: STRATEGY DIRECTOR**

5. Strategy Update

The Board discussed the issues raised in Strategy Update paper that was included in the Board pack. (Redacted on Confidential Grounds)

6. Footprint Report

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

The key issues highlighted were:

ATM Footprint

The Board noted that:

- ATMs that had been temporarily closed due to the coronavirus crisis are continuing to re- open. Over 52% of the 4,000 FTU and 3,000 PTU ATMs that temporarily closed are now transacting. There are 48 publicly accessible Protected ATMs that are still temporarily closed, and LINK is monitoring these closely and receiving regular updates from Members. If any of these ATMs do not re-open, then LINK is ready to replace them using Direct Commissioning. Given that there are currently 58 Protected ATMs that are confirmed to have permanently closed and require replacement, ATM coverage continues to be broadly satisfactory.

(Redacted on Confidential Grounds)

Financial Inclusion Programme ("FIP")

The Board noted that the FIP continues to be updated under the guidance of the LINK Consumer Council to ensure that the right areas are continuing to be targeted, and that LINK's resources are used as effectively as possible. Of the 2,763 areas in the scope of the Programme, 2,150 have free access to cash through either a Post Office or an FTU ATM, leaving 613 without. If the Post Office was not included within the Programme, then there would have been 1,804 areas with an FTU ATM and 959 without.

Community Requests for an ATM

The Board noted that:

- The Community "Request an ATM" initiative, launched in October 2019, has now received over 3,600 requests for ATMs from communities relating to 2,700 unique locations. There have been very few new requests in recent months and almost 99% of locations have now been formally reviewed and either progressed to a site visit or removed from the process. LINK has visited over 230 communities, and 26 new FTU ATMs are now live with a further 78 sites in the pipeline for Direct Commissioning.

(Redacted on Confidential Grounds)

7. Stakeholder and Communications Update

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

(Redacted on Confidential Grounds)

8. Operational Summary

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

(Redacted on Confidential Grounds)

9. Executive Risk Summary

The Board considered the overview of key risks contained in the Board paper and the attached Key Risks Report, including the management of these risks and the actions undertaken to mitigate them.

(Redacted on Confidential Grounds)

10. Finance Report

The Board considered the Scheme's Finances.

(Redacted on Confidential Grounds)

11. HR Update

Kate Blades joined the meeting.

Kate Blades, Head of Support Services, made a presentation on LINK's Human Resources function and activities. (Redacted on Confidential Grounds)

The Chairman thanked Kate Blades for her presentation.

Kate Blades left the meeting.

The Board recognised the exceptional efforts Kate Blades had made to help LINK successfully adjust to the remote working environment during the coronavirus crisis and to ensure that the office has been set up in line with Government guidelines ready for a safe return when Government guidance changes.

12. Cyber Attack Case Study

(Redacted on Confidential Grounds)

13. Cybercrime, Banks and ATMs

The Board reviewed the briefing paper covering the ongoing and persistent threat to bank systems of cyber-attacks and the potential involvement of ATMs.

(Redacted on Confidential Grounds)

14. LINK's Response to the Treasury's Call for Evidence on the Payments Landscape Review

The Board considered LINK's draft proposed response to the Treasury's Call for Evidence on the Payments Landscape Review, both of which were included in the Board pack. (Redacted on Confidential Grounds)

15. Consideration for Approval of Proposed Rate Card Amendments

The Board considered the paper in the Board pack outlining a number of amendments to the Members' Agreement - Appendix 3 Rate Card designed to simplify its operation, update the CPMI-IOSCO funding provisions and to ensure that it aligns with current practice. (Redacted on Confidential Grounds)

The Board approved the Proposed Amendments to become effective on 1st January 2021 (subject to Network Member approval and approval by Link Scheme Ltd) and the issuance of the Proposed Amendments to Network Members for approval in accordance with the Members' Agreement.

16. Consideration for Approval of the Proposed LINK 2021 Annual Release

The Board considered the contents of the LINK 2021 Release.

(Redacted on Confidential Grounds)

The Board approved the contents of the LINK 2021 Release. The Board authorised the Scheme Executive to notify Network Members of the Release and to initiate the project with Vocalink.

17. Noting of any e-mail Approvals

There were no e-mail approvals to note.

18. Any Other Business

There was one item of AOB:

- The Board noted that the routine PSR Annual Compliance Report will be circulated by email in mid-October for comment and approval. **ACTION: COO.**

19. Next Meeting

The next meeting will be held on Thursday 5th November 2020 at 9.00 am by videoconference.

John Howells, Mike Knight, Graham Mott, Adrian Roberts, Tom Sleight and Sue Wallace left the meeting.

20. Regular Non-Executive Director Only Session

The Directors (excluding the CEO) held one of their scheduled sessions without any executives present. The discussion is recorded in a private minute. **ACTION: CHAIRMAN.**