
Minutes of a Link Scheme Holdings Ltd (the “Company”) Board Meeting
Held on Thursday 1st September 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 (via video conference)
Tom Sleight
Sue Wallace

LINK Meeting Secretariat

Michelle Maple (via video conference)

1. Opening of Meeting

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

2. Welcome and Conflict of Interest Declarations

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 (the Conflicted Directors).

Chris Davis declared his position as Partner of Kyndryl and advised the Board of his recent appointment as the Chair of Deal Value Creation Partners.

Tracey Graham declared her position as Non-Executive Director of Close Brothers Bank and informed the Board of her recent appointment to the Board of Nationwide as a Non-Executive Director with effect from 28th September 2022. With respect to this last declaration, the Board carefully considered potential conflicts.

Under Article 55.1 of the Company's Articles of Association, a Director is permitted to hold office as a Director of a Network Member (provided that such interest is declared to the Board under Article 56). Accordingly, as Nationwide is a Network Member, Tracey Graham is permitted to be a Director of Nationwide and specific Board authorisation of such interest under Article 49 is not required.

Under Article 66, the Board is entitled to put in place procedures to manage a conflict of interest as it sees fit. With regards to decisions on interchange, the Board 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 asked for a paper to be presented at the next meeting setting out how LINK's constitution supported the appointment of Directors who are also Directors of Network Members. **ACTION: CSDO.** The Chair added that the Bank had already been informed of the likely position as part of the Chair's update on the Board Effectiveness Review.

The Board noted all other 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 7th July 2022 had been approved by 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 7th July 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)

The Board also discussed the imminent announcement of the new UK Prime Minister, associated changes to ministers, and potential implications for the timing of the Financial Services and Markets Bill.

6. Update on the Co-ordinating Body

The Board considered the progress update on the work of the Co-ordinating Body. The following points were discussed in detail:

(Redacted on Confidential Grounds)

7. (Redacted on Confidential Grounds)

8. Footprint Report

The Board noted the latest ATM Footprint Report, summarising LINK's effectiveness in meeting its commitments to consumers.

9. Stakeholder and Communication Update

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

10. Operational Summary

The Board reviewed the report summarising LINK's overall operational position and the Operations Dashboard.

(Redacted on Confidential Grounds)

11. Scheme Governance and Development Summary

The Board noted the report on Scheme Governance and Development.

12. (Redacted on Confidential Grounds)

13. Risk Summary

The Board considered the risk summary report and noted the significance of the risks currently facing the organisation, and the actions being undertaken to mitigate these risks.

DECISION: The Board approved the 2022 IOSCO submission to the Bank.

14. Board Development Planning

The Board noted the summary of awareness sessions delivered to date, potential future sessions and the request to suggest any other areas of focus over the next 12 months.

15. Finance Report

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

(Redacted on Confidential Grounds)

DECISION: The Board approved the payment of the 2022/23 FMI supervision fees on receipt of the invoice from the Bank, and the call for collection of the equivalent amount from Members.

16. Annual Review of the Recovery and Wind Down Plan Financial Resource

The Board reviewed and noted the annual refresh of the financial resources required for LINK's Recovery and Wind Down Plan. It was noted that a full refresh of the Plan would take place in 2023.

17. LINK Cash and Spending Consumer Research

The Board discussed and noted the latest YouGov market research on consumers' attitudes to cash, ATMs and spending.

18. LINK's Response to the Treasury Committee's Call for Evidence on the Crypto-Asset Industry

The Board reviewed and noted LINK's proposed response to the Treasury Committee's Call for Evidence on the crypto-asset industry.

19. Payments Regulation and the Systematic Perimeter: Consultation and Call for Evidence Response

The Board reviewed the content of HM Treasury's Consultation and Call for Evidence for the Payments Regulation and Systematic Perimeter and noted LINK's proposed response.

20. Consideration for Approval of Rule Changes

The Board reviewed minor amendments to the Operating Rules (removal of the mandatory requirement for Acquirer Member support of Fallback and replacing it with a rule to prohibit support of Fallback), and to the Switching and Settlement Agreement (SSA) to align its terms with the Fraud Reports being delivered to Network Members.

DECISION: The Board approved the proposed amendments to the Operating Rules and the SSA. It was noted that LSL Board approval would be sought following the LSHL Board meeting. ACTION: CSDO.

21. Noting Email Approvals

The following e-mail approvals were noted:

- 18th July – Policies Approval (from July Risk Committee)

The LINK Scheme Executive and Meeting Secretariat left the meeting.

22. Any Other Business

(Redacted on Confidential Grounds)

There being no other business, Lord Hunt then closed the meeting.

23. Next Meeting

The next Board meeting will be held on Friday 4th November 2022 at 9.30 am (Redacted on Confidential Grounds)

The meeting closed at 12.40.