

NPSO Limited

Minutes of the extraordinary call of the Board of Directors, 27th April 2018

Directors	NPSO Support
Melanie Johnson (MJ) Independent Chair	Vanessa Graham (VG) UK Payments Administration Limited, Company Secretary
Paul Horlock (PH) CEO	Chet Behl (CB) Legal Counsel
Matthew Hunt (MH) COO	Afua Gharban (AG) Secretariat
Christine Ashton (CA) INED	
Peter Wyman (PW) INED	
Richard Anderson (RA) INED	
Russell Saunders (RSA) NED	
Apologies	
Rob Stansbury (RST) Senior INED	
Anna Bradley (AB) INED	
Jean-Yves Rotté-Geoffroy (JY) INED	
Becky Clements (BC) NED	

87. Opening items

MJ opened the meeting and confirmed that the meeting was quorate in accordance with the Articles of Association. Each Director present confirmed that they had no direct or indirect interest in any way in the proposed transactions to be considered at the meeting which they were required by section 177 of the Companies Act 2006 and NPSO's Articles of Association to disclose.

88. Audit INED role

MJ stated that Tim Fitzpatrick is recommended to the Board as the Nomination and Remuneration Committee's preferred candidate for the role of audit INED. Non-objection from the BoE would not be required, as Tim is known to the bank in an advisory capacity. After due and careful consideration:

IT WAS RESOLVED THAT Tim Fitzpatrick is approved as the preferred candidate for the role of audit INED.

89. Guarantorship of NPSO

It was noted that currently NPSO has a sole Guarantor, Rob Stansbury (RST). The BoE raised a concern in relation to having a natural person as NPSO's sole Guarantor post 1st May and queried what contingency plans were in place if RST was incapacitated or otherwise unavailable to perform his role. CB said NPSO had explained to the BoE that there was flexibility in the Articles in respect of the appointment of a new Guarantor in such circumstances. To mitigate risk, it was proposed that

the Board appoint an interim Corporate Guarantor (either a professional adviser or a nominee company) to replace RST for the period from 1st May until new Guarantors are on-boarded in the summer. Alternatively it was proposed that two more INEDs could be appointed in addition to RST ('the 3 INEDs option').

The Board noted that the advantage of the latter option was that the appointments could be made quickly and that the INEDs were familiar with the issues facing NPSO as it consolidated and embarked on the path to transformation. The Board was concerned about the cost and time involved in appointing a nominee company which would need to carry out due diligence on NPSO before it could accept instructions to act.

CB said *[Redacted - commercially sensitive]* had been approached, but they did not think it was appropriate for them to take on the role.

The Board considered other institutions that may be willing to act as interim Corporate Guarantor, noting the challenges in respect of the different options.

CB agreed to investigate the cost of appointing a nominee company as interim Corporate Guarantor and to raise both the interim Corporate Guarantor option and the 3 INEDs option with the BoE. CB also agreed to check with the Bank their requirements in terms of the timetable for the appointment.

ACTION: CB

The Board could then make a decision on how to progress at the May Board.

90. Any other business

[Redacted - commercially sensitive]

There being no further business the Chair closed the meeting.