

Pay. UK Limited**Minutes of a meeting of the Board of Directors held on 27.02.2019**

Directors	Attendees
Melanie Johnson (MJ), Independent Chair	Joe Johnson (JJ), Interim General Counsel
Anna Bradley (AB), INED	Sharon Cunliffe (SC), Senior Legal Adviser
Christine Ashton (CA), INED (by telephone)	Vanessa Graham (VG), Senior Legal Adviser
Matthew Hunt (MH), COO	David Gilbert (DG), Company Secretary
Nathalie Oestmann (NO), NED (by telephone)	
Paul Horlock (PH), CEO	Apologies
Richard Anderson (RA), INED	Jean-Yves Rotté-Geoffroy (JY), INED
Rob Stansbury (RST), Senior INED	Peter Wyman (PW), INED
Tim Fitzpatrick (TF), INED	Russell Saunders (RSA), NED

19/37 Opening items

Quorum – MJ opened the meeting and noted that a quorum was present in accordance with the Company's Articles of Association.

Conflicts of Interest – 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 the Company's Articles of Association to disclose.

19/38 Delegated Authority

VG referred to the updated Delegated Authority Policy that had been circulated and explained the main revisions that had been made. She highlighted that the document replaced those previously used by the schemes and set out how the organisation would operate with effect from 1 March 2019. It was noted that the document had been reviewed by both the Executive Committee and the Finance Committee. The main principle was that the Board could delegate to a Board Committee, the CEO or other individuals. The day-to-day running of the Company was delegated to the CEO who, in turn could delegate to the Executive (including the COO who could further sub-delegate as required).

VG drew the Board's attention to the three appendices to the document, noting that Appendix 1 set out the matters reserved to the Board and had not been updated; Appendix 2 set out the delegated authorities and identified the activity and any related financial limit that had been delegated; and Appendix 3 set out the key decision-making principles relating to the operation of the payment systems. VG explained that these had been taken from the payment system rules and updated to reflect the revised structure. It was proposed that the decision-making principles be reviewed monthly for the first three months to enable improvements to the document to be proposed to reflect any feedback from practical experience during that time.

PH confirmed that the main delegated authorities' paper was in line with versions previously seen and agreed by the Board. The limits in Appendix 2 had been revised to reflect expected expenditure based on a review of recent invoices. TF challenged the sign-off process and PH confirmed that where a dual sign-off was required due process would have been followed prior to him receiving the invoice for signature.

MJ queried the process to be followed where a decision to suspend a participant was required. MH explained that the delegated authority set out the minimum required and wherever possible and where circumstances allowed decisions would be made collectively. However, the authority had been set to allow for an urgent response to be given to an operational issue – such as a cyber-attack – where a rapid response was required. Whilst a new concept to the Pay.UK Board, it was noted that such a provision had been included in scheme rules previously and was familiar to participants. MH noted that any such decision would not be made lightly and the Executive would expect to have to justify the decision to the full Board as part of the ratification process. He agreed to test the revised process with the next Participant Engagement Forum to ensure that the parameters had been appropriately set. **ACTION: MH**

CA challenged the Executive as to the process that would be followed in the unlikely event that the whole system needed to be taken down. MH confirmed that existing processes would be followed as previously to ensure an orderly closure with the important proviso that were the routine process to fail for any reason the Executive could act as they thought fit to protect the integrity and security of the system.

After further discussion, the Delegated Authority paper was approved as submitted.

19/39 Pay.UK Policies

JJ provided the Board with the background and context for the approval request, noting that a number of key policies were required to be in place prior to the novation. She advised that work was being undertaken to ensure that all appropriate policies had been identified and that they remained relevant and appropriate. A consolidated list of all policies would be presented to the Board for consideration in due course, together with a suggested approvals process.

The proposed Pay.UK Health & Safety Policy was considered. JJ explained that the policy was based on that for UKPA, which was currently in force throughout the building. AB suggested that the current policy appeared to be overlong and simplification should be considered. After discussion it was agreed to accept the policy as presented, on the understanding that it would be reviewed later in the year as part of JJ's overall policy review.

Similarly, the Board reviewed and approved the Data Protection Policy, external facing Privacy Notice and Colleague Privacy Notice, noting that these were being brought forward in readiness for 1 March 2019 and would also form part of the policy review.

PUBLIC CIRCULATION

The Board considered and approved the proposed Expenses Policy, noting that this had been considered by the Finance Committee before submission. MJ advised that she had asked for further work to be done in respect of company credit cards currently in circulation.

The Fixed Assets Policy was approved as submitted. It was noted that the policy had been considered by the Finance Committee prior to submission.

JJ referred to the Modern Slavery Statement that was required to be available on the Company's website by the end of March 2019. Further validation work would be undertaken to ensure that the statements made could be verified before the statement was published.

There being no further business the Chair closed the meeting.

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Chair