

Pay. UK Limited

Minutes of a meeting of the Board of Directors held on 25.07.2019

Directors	Attendees
Melanie Johnson (MJ), Independent Chair	Joe Johnson (JJ), General Counsel
Anna Bradley (AB), INED – by telephone	Louise Rebuck (LR), Secretariat
Christine Ashton (CA), INED – by telephone	
Matthew Hunt (MH), COO	
Paul Horlock (PH), CEO	
Peter Wyman (PW), INED – by telephone	
Richard Anderson (RA), INED	
Rob Stansbury (RST), Senior INED – by telephone	
Russell Saunders (RSA), NED – by telephone	
Tim Fitzpatrick (TF), INED – by telephone	

19/104 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 – The Directors present confirmed that they had no direct or indirect interest in any way in the proposed ratification 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.

19/105 Participant suspended from Bacs and Faster Payments schemes

The Chair noted that the purpose of the meeting was to

1. ratify the CEO's decision to suspend ipagoo LLP (*ipagoo*) at 00:40 on 24 July 2019 from participation in the Bacs Payment System (*Bacs*) and the Faster Payment Service (*FPS*)(the *Suspensions*); and
2. consider whether there were any additional measures that the Company (in its capacity as system operator of Bacs and FPS) should take in the interests of the safety, integrity and/or efficiency of Bacs and/or FPS.

MH summarised the FCA regulatory action that had taken place against ipagoo, highlighting the timeline of events that resulted in the suspensions.

19/ 106 Ratification of the suspensions

It was noted that, in accordance with clauses 10.3 and 11.1 of the Bacs Settlement Agreement and FPS Rule 9.2, ipagoo was suspended from Bacs and FPS at 00:40 on 24 July 2019 by a decision of the Chief Executive Officer acting under the authority formally delegated to him by the Board as set out in the Company's Delegation of Authorities Policy (effective from 28

February 2019) (the *DAP*).

After due and careful consideration, it was **resolved** that the Suspensions were ratified.

After due and careful consideration of the known facts concerning ipagoo's suspension (as set out in the Board Paper for this meeting), and with due regard to the CPMI-IOSCO Principles for Financial Market Infrastructure, in particular Principle 2 (*Governance*), Principle 3 (*Framework for the comprehensive management of risks*) and Principle 18 (*Access and participation requirements*) it was resolved that:

- 1) as at the time of this meeting, the Suspensions were considered sufficient to protect the safety and efficiency of Bacs and FPS and it would be premature for the Company to impose any additional sanctions on ipagoo (such as exclusion from the systems) pursuant to the Bacs and FPS Rules;
- 2) the Company would nevertheless continue to monitor ipagoo's circumstances (in conjunction with the Bank of England and the FCA) in order to continue to assess whether any additional measures may need to be put in place in the interests of the safety and efficiency of Bacs and FPS, the broader financial system, other relevant public interest considerations and the objectives of relevant stakeholders; and
- 3) an update would be prepared outlining the findings of the ongoing assessment to be considered at a future Board Meeting. **ACTION: MH**

It was noted that the resolutions above were not intended to affect the ability of the Company's Executive to take emergency action where necessary prior to the August Board pursuant to the authority formally delegated by the Board to the CEO and/or COO under the DAP

The Board expressed its thanks to colleagues who had worked to see this through. It was agreed that a debrief would be held that would cover and review the learnings that were made throughout the process. **ACTION: MH**

19/107 AOB

There being no further business the Chair thanked members for making the meeting at such short notice and closed the meeting.

It was resolved that the Chair be authorised to sign a copy of these minutes as representing a true record of the business conducted at the meeting.

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Chair