

Pay. UK Limited**Minutes of a meeting of the Board of Directors held on 10 June 2020**

Directors	Attendees
Melanie Johnson (MJ), Pay.UK Chair	Euan Burrows (EB), Practice Group Head, Ashursts
Richard Anderson (RA), INED	Sam Cope (SC), Senior Policy Manager
Christine Ashton (CA), INED	David Cripps (DC), Director of Security
Anna Bradley (AB), INED	Tim Everest (TE), CSO
Tim Fitzpatrick (TF), INED	Helen Hunter-Jones (HHJ), CRO
Paul Horlock (PH), CEO	Adam Levitt (AL), Corporate Partner, Ashursts LLP
Matthew Hunt (MH), COO	Dave McPhee (DM), Director of Regulatory Engagement & Policy
Nathalie Oestmann (NO), NED	Mike Owen (MO), Interim Director of NPA
Jean-Yves Rotté-Geoffroy (JY), INED	Francisco Pazo Couto (FPC), Head of Legal
Russell Saunders (RSA), NED	Shan Shori (SS), Senior Lawyer, Ashursts LLP
Rob Stansbury (RST), Senior INED	Louise Rebuck (LR), Corporate Governance Manager
Peter Wyman (PW), INED	David Gilbert (DG), Company Secretary

*Due to the Covid 19 pandemic, all Board members and attendees joined remotely by video conference

20/50 Opening Business

Quorum – The Chair 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.

Registers – The register of gifts and hospitality for May 2020 together with an updated copy of the Directors Conflicts of Interest register, which had been circulated separately, were noted by the Board.

Minutes & Action Log – The draft minutes of the Board meeting held on 13 May 2020 were reviewed and approved subject to a number of further amendments to clarify the text.

Progress with the current open action items was noted.

DM, SC, FPC & EB joined the meeting

20/51 NPA Update

MH commented on the ongoing discussions with the PSR regarding the NPA.

[Redacted under legal privilege]

After discussion **it was agreed** that the decision as to which parts of the paper to release would be delegated to the executive, with the proviso that the regulator was also provided with a covering note that explained that the paper was just one facet of the discussion at the May 2020 Board meeting and that other elements had also been considered.

PH advised that the executive (CEO and COO) were meeting with the PSR Board the following week. This would provide an opportunity to update the PSR Board on the current proposal.

[Redacted - commercially sensitive]

EB highlighted the need for contemporaneous records to be kept that demonstrated the rationale for the decisions made and the independent nature of those decisions.

[Redacted - commercially sensitive]

DM, SC, FPC & EB left the meeting

20/52 Nomination Committee

AB referred to the draft job descriptions for the roles of Chair and Independent Non-Executive, together with a summary of the process that had been followed to date with assistance of the specialist consultancy that had been engaged for the recruitment. It was agreed that the wording of the job descriptions and advertisements should be reviewed for improvement with the consultancy prior to the advertisements being placed. AB confirmed that further work could be undertaken on the job descriptions as required and welcomed feedback from the Board. The key was to ensure that the main characteristics of the roles were suitably captured in the advertisement and role profiles.

RSA left the meeting

MJ commented on the process that had been followed for the recruitment of members to PAC. Whilst membership was for the Committee Chair, the Nomination Committee had been kept informed of the proposed changes. It was agreed that when future changes were required the full Board would be made aware and invited to suggest potential candidates. JY updated the Board with the recruitment process to date, noting the candidates that had been considered and their backgrounds. The Board was reminded that PAC members were there in their own right and that care was taken to ensure a balanced range of views, experience and background wherever possible.

RST referred to correspondence that had been received from a guarantor that made a number of suggestions, including a governance review. He advised that the matter had been considered by the Nomination Committee who had concluded that any such review should be for the new Chair to consider in due course. A suitable response would be sent to the guarantor concerned.

PH updated the Board regarding the development of the executive team and provided the Board with details.

20/53 Guarantors

PH advised that an application had been received from HSBC UK Bank plc to become a guarantor of the Company. He confirmed that the application had been considered using the revised due diligence process and Guarantor Policy. After due consideration, it was agreed that HSBC UK Bank plc be approved as a Guarantor of the Company and that their name be added to the Guarantors' Register and that a Guarantor Certificate be issued.

20/54 PAC Cost-Saving Proposals

JY referred to the paper that had been produced on behalf of PAC and noted that three key themes had been identified by the Council for the Board's consideration: digital identity, cost reduction and best practice regarding Covid-19. PH thanked PAC for their helpful note which would be carefully considered by the executive.

20/55 Directors' Induction Pack

LR noted that the Induction Pack for new Directors had been updated and would be added to the Board's online portal for reference. The updated pack was welcomed and approved by the Board.

20/56 Board Effectiveness Review

RST provided a brief update regarding the annual Effectiveness Review. All Directors had now responded and initial feedback from the external consultants assisting with the review would likely be brought to the July Board meeting.

20/57 Terms of Reference

PAC – JY advised that in the light of discussions earlier in the meeting regarding the role and scope of the Council, he proposed that the Terms of Reference be revised and brought back to a subsequent meeting. This was agreed.

AL & SS joined the meeting

20/58 Directors Training

AL and SS provided the Board with a reminder of their various obligations and duties as Directors. They took the Board through the statutory duties of Directors as enshrined in the Companies Act 2006, guidance as to their legal responsibilities under the 1974 Health & Safety At Work etc Act and the ramifications for Board members of The Bribery Act 2010 and The Criminal Finances Act 2017.

It was noted that following the implementation of the General Data Protection Regulations in 2018, data protection was now a Board level issue.

Summarising their presentation, AL and SS highlighted that companies needed to demonstrate that they had adequate procedures in place to address the potential pitfalls that had been identified and to ensure that training for all colleagues was in place where appropriate.

AL & SS left the meeting

DC joined the meeting

20/59 Security Awareness

DC provided the Board with a number of examples where sophisticated fraud attacks had been carried out on financial and other institutions. DC reminded the Board of the measures that had been introduced by Pay.UK to protect the business from such attacks and stressed the role that

each and every member of the organisation had to play to keep the organisation and its data safe.

DC advised that regular meetings were held with key suppliers and participants to ensure that industry-wide concerns were understood and managed.

The additional security aspects of a business that was primarily working remotely away from the office were considered and DC confirmed that guidance had been provided to colleagues to assist them, both with their working practices and also to protect their personal data and networks.

There being no further business, the Chair declared the meeting closed.

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Chair