

**Pay. UK Limited****Minutes of a meeting of the Board of Directors held on 12 August 2020**

<b>Directors</b>	<b>Attendees</b>
Melanie Johnson (MJ), Pay.UK Chair	Sam Cope (SC), Senior Policy Manager
Richard Anderson (RA), INED	Simon Deschenes (SD), Head of Finance
Christine Ashton (CA), INED	Maha El Dimachki (MED), CPO
Anna Bradley (AB), INED	Tim Everest (TE), CSO
Tim Fitzpatrick (TF), INED	Kate Frankish (KF), Director of Strategy (NPA product owner)
Paul Horlock (PH), CEO	Helen Hunter-Jones (HHJ), CRO
Matthew Hunt (MH), COO	Edward McNeill (EM), Ashursts Senior Associate
Nathalie Oestmann (NO), NED	Dave McPhee (DM), Director of Regulatory Engagement & Policy
Jean-Yves Rotté-Geoffroy (JY), INED	Martin Otley (MO), Financial Planning & Analysis
Russell Saunders (RSA), NED	Francisco Pazo Couto (FPC), Head of Legal
Rob Stansbury (RST), Senior INED	Dan Smith (DS), Head of Procurement
Peter Wyman (PW), INED	Philip Taylor (PT), Senior Legal Counsel
	Mark Thirwell (MT), NPA Programme Manager and PMO lead
	Roy Whymark (RW), Senior Policy Manager
	Louise Rebeck (LR), Corporate Governance Manager
	Grace Dalley (GD), Company Secretary

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

**20/60 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 – RA requested an update to the register. **ACTION: LR.**

Under agenda item 5 it was noted that the directors had an interest in the recommendations made to Board regarding their respective extension of term or reappointment and so were not entitled to count in the quorum or vote on these individual items.

Each director present confirmed that they had no other 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 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 8 July 2020 were reviewed and approved.

Progress with the current open action items was noted.

### **20/61 Nomination Committee**

The Chair summarised the process that had been agreed at Board previously and the recommendations made by the Remuneration Committee for Board to consider. It was highlighted that the Nomination Committee was scheduled to meet to further discuss considerations regarding NO's term. Board discussed the terms that were due to end in spring 2021 and it was agreed that the following would be taken to the September 2020 AGM for the approval of the guarantors:

- (a) AB to be reappointed for a further term to expire on 31 December 2023;
- (b) RSA to be reappointed for a further term to expire on 31 December 2021;
- (c) NO current term to be extended to expire to 31 December 2020;
- (d) CA's current term to be extended to expire on 31 December 2021;
- (e) JY's current term to be extended to expire on 31 December 2021;
- (f) RA's current term to be extended to expire on 31 December 2021; and
- (g) TF's current term to be extended to expire on 31 December 2021.

### **20/62 Chair recruitment**

The Chair noted that the agenda item was confidential and asked that all non-Board members present respected this. MH added that he had asked the Corporate Governance team to introduce additional discipline where Board members-only discussions were required. **ACTION LR**

AB introduced the item and gave a brief update on the Bank of England non objection process. It had not been possible to take advantage of the early non objection due to prior holiday commitments and so confirmation was not expected from the Bank until the end of September. Early conversations had taken place with the regulators regarding all the candidates on the shortlist.

The Board **agreed** the appointment as put forward in the accompanying paper.

The Board discussed the need to review the process with the external search firm in order to capture lessons learnt.

*AB left the meeting*

*FPC, SC, MT, KF, RW, DM, DS, PT, EM joined the meeting.*

[Redacted - commercially sensitive]

[Redacted under legal privilege]

[Redacted - commercially sensitive]

*TE, DM, SC, RW, KF, EM, DS left the meeting.*

### **20/65 2021 budget**

PW introduced the agenda item. The Board had seen the budget previously in May and the Finance Committee had looked at whether the budget could be amended at this stage when there were two unknowns, the first being the impact on volumes in the autumn with the likely ending of the furlough scheme or potential further national or local restrictions impacting on the retained earnings for the year which in turn would impact the amount of capital building required for 2021. The second unknown was the NPA.

The importance of having the right discussion with participants was acknowledged and it was agreed that they would be asked to provision for costs in the higher range of their expectations for now. In the event that the budget could be reduced later as more information became clear then it was agreed that this could happen. **ACTION: SD**

After further discussion the Board **agreed** the 2021 budget.

*SD and MO left the meeting.*

### **20/66 Annual General Meeting**

GD summarised the process that would be undertaken and that voting would take place in advance but not at the meeting. The new legislation gave the flexibility for this to happen and the Board discussed whether it was reasonable to not vote at the meeting itself.

RSA gave an example of market practice where another organisation had held their AGM remotely and had obtained votes in advance from across 11,000 organisations.

It was agreed that the reasoning for extending existing terms would be covered at the meeting itself. **ACTION: GD**

The Board agreed the notice subject to the resolutions reflecting the decisions made earlier in the meeting regarding directors' terms. **ACTION: GD**

After due consideration the amendments to the Articles of Association were **agreed**.

### **20/67 Provision of legal services to NPA programme**

The Board discussed the proposal and further detail was provided on the procurement process that had been undertaken. The Board delegated authority to the CEO and COO to sign the contracts once the terms had been finalised and subject to them being within the estimates given in the proposal.

**20/68 Any Other Business**

RST noted that each committee was required to assess its own effectiveness every year and that a questionnaire would be sent to the Chairs by the Corporate Governance team. Each Chair could then determine if they wished the questionnaire to go to the members of their committees.

RA raised whether holding meetings in the office was in line with the policy agreed and the company's risk appetite. It was confirmed that risk appetite had not changed and that government guidance was being followed. MH had already provided feedback to TE and changes would be made to the technology available in the office meeting rooms, in order to make the experience for both in person and remote attendees as positive as possible.

The Chair thanked everyone, especially those colleagues who had worked on the NPA papers. There being no further business, the Chair declared the meeting closed.

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Chair