

Meeting Summary

11th Payment System Operator Delivery Group meeting

21 March 2017

Thomas More Square

Present: Robert Stansbury (Chair), Faith Reynolds, Nick Caplan, David Rigney, Jane Bevis; Becky Clements; Russell Saunders

Apologies: None

Observers: Justin Jacobs, Dora Guzeleva

Minute taker: Sam Cope

Project team: Natalie Terrell, John Loveday, Michael Wada

PSO Board approvals

The **PSODG** discussed the approach to sharing its draft report with the PSO Boards and PSO shareholders. It was expected that this would be done following submission of the draft report to the Coordination Group on 31st March.

The group also considered the key approvals that would need to be sought from both the PSO boards and the PSO shareholders that would be needed in order for the proposed consolidation to proceed.

Implementation plan

The PSODG discussed work that had been undertaken by its consultants to finalise the implementation plan that would be included in its recommendations report. The DG provided some additional comment on this work. This included identifying a series of risks that would need to be adequately managed in order to ensure that the proposed plan was achieved.

There was also a discussion under this item on the PSODG's expectation for the existing group of direct participants to become the initial group of guarantors for the NPSO, with other members of the payments community expected to subsequently become guarantors.

Initial funding proposal

The PSODG's consultant had been working on a funding proposal that would allow for the completion of the proposed transaction. This included funding needed to establish and capitalise the NPSO. The PSODG scrutinised this proposal, in particular challenging the anticipated cost of due diligence and

project management support, and testing that the level of capital reserves would be sufficient to allow the NPSO to operate on a self-sustaining basis.

Report drafting

The PSODG discussed a revised version of its draft report, providing feedback to its consultant on the draft and clarifying any points of disagreement identified through its review.

The consultant would circulate a final draft of the report in advance on the next meeting. The aim of that meeting would be to agree the final report.

A.O.B and next steps

The next meeting will be on 28th March.