



CEO Report

Directors noted the key areas of focus, including:

- *Addressing Service End Point Security Assessment* and other activities in train to verify information security compliance;
- Progressing discussions on the [redacted] project in line with recent Board discussions;
- Preliminary discussions concerning the contents of the NPP Roadmap;
- Acceptance of application from [redacted] for overlay service; and
- Possible submissions to the inquiry by the newly established Senate Standing Committee on Financial Technology and Regulatory Technology over the next 12 months.

Operational Update

Directors noted the key areas of progress, including:

- Account reach is currently at 77% of all DE-reachable accounts, with current plans in place to work with Participants to extend reach to 88%;
- NPPA are putting in place a refined reporting template for outages. Resilience and reductions in the level of incidents remains an ongoing area of focus; and
- Participant roll out and ramp up activities.

Capability Development

Directors noted:

- NPPA are consulting Participants through bilaterals following the conclusion of the working groups before bringing a recommendation on the [redacted] Project to the Operating Committee on 9 October 2019 and to the Board on 17 October 2019;
- Specific implementation timelines for the NPP message and data strategy will be confirmed as the NPP roadmap is finalised; and
- Key messages that will be used to provide complementary narrative to the roadmap and the likely capabilities that are likely to be included, as discussed as part of the recent strategic planning process.

Volume

Migration from DE – Consolidated action plan

Directors noted activities to support migration of transaction volumes from Direct Entry.

Corporate Items

Financial Report for year ended 30 June 2019

Directors approved and adopted the Financial Statements for the 2018-2019 financial year.

Legal and Governance

Directors:

- Approved the designation of the requirements set out in Procedure 6.4.7(a) as Mandatory Compliance Requirements with an Effective Compliance Date of 11 December 2019 and amendments to the NPP Regulations to further strengthen the rules relating to Addressing Service usage and data security; and
- Determined to extend the Joining Period to 31 December 2022 and recommended amendments to the Constitution and Shareholders' Agreement (subject to shareholder approval at the AGM) relating to post Joining Period governance and subscription rights, to balance the interests of NPPA, existing shareholders, new joiners and public policy objectives.



Audit Finance and Risk Report

Directors noted the summary of matters discussed at the Committee meeting on 3 September 2019, including:

- Update on the FY2019 Audit of Financial Accounts;
- Update on Addressing Service information security compliance verification;
- Minor amendments to the Risk Management Policy;
- Final 2019 Operational Risk Report;
- Participant Breach Report; and
- SWIFT performance update.

People and Culture Committee Report

Directors noted the summary of matters discussed at the Committee meeting on 5 September 2019, including:

- Update on the recruitment process for a third independent director;
- The Committee's recommendation with respect to the amendment of the Shareholder's Agreement to stagger the terms of the Representative Directors; and
- Update on the Board Effectiveness and Board Skills and Composition Review process for 2019.

Directors approved:

- Amendments to the NPPA Conflicts Management Protocol.

Next meeting to be held on 17 October 2019.