

Public – Internal Use – Confidential – Strictest Confidence
Distribution: N/A

**EUROPEAN PAYMENTS COUNCIL (EPC)
INTERNATIONAL NON-PROFIT ASSOCIATION**

Cours Saint-Michel 30
B- 1040 Brussels
Register of Legal Persons Brussels
Crossroads Database for Enterprises: 0873.268.927

**CHARTER OF THE EUROPEAN PAYMENTS COUNCIL
COORDINATED VERSION**

ARTICLE 1. Purpose and Mission

The purpose of the EPC, as one representative of the European Payment Service Providers' sector, is to support and promote European payments integration and development, notably the Single Euro Payments Area ("SEPA").

- The mission of the EPC is to contribute to safe, reliable, efficient, economically balanced and sustainable, convenient payments supporting an integrated European economy, its end-users' needs as well as its competitiveness and innovation goals:
- through the development and management of pan-European payment schemes and the formulation of positions and proposals on European payment issues;
- in constant dialogue with other Stakeholders and regulators at European level; and
- taking a strategic and holistic perspective.

The EPC offers one focal point and voice for the Payment Service Providers' sector on all European payment issues, driven by a single vision.

ARTICLE 2. Activities

The EPC may develop, alone or in collaboration with third parties, directly or indirectly, all activities related, directly or indirectly, to its purpose. The EPC may, in particular develop the following non-exhaustively listed activities:

- be responsible for the performance of functions relating to Scheme Management, as set out in the Scheme Management Internal Rules. The EPC is the owner and manager of various payment Schemes; and
- define positions and make proposals for its Members and Scheme Participants who are members of the Members vis-à-vis the European Union institutions, public authorities, international organisations, and the general public on European policies, legislation and regulations and keep Members informed of developments in the relevant areas.



In addition, the EPC may support and have interests in any other activities or legal entities which are similar or related to those defined above. The EPC shall perform and develop its activities either in Belgium or abroad and may be a member of or set up other non-profit entities with purposes related to those of the EPC.

The EPC is not a market infrastructure.

ARTICLE 3. Legal Form, Name and Structure of the EPC

The international non-profit association (in French: “association internationale sans but lucratif” / in Dutch: “internationale vereniging zonder winstoogmerk”) named “Conseil Européen des Paiements” in French, abbreviated “CEP” and “European Payments Council” in English, abbreviated “EPC” (hereafter: “EPC”) is governed by the provisions of Title III of the law of 27 June 1921 of the Kingdom of Belgium on non-profit associations, international non-profit associations and foundations.

The General Assembly is composed of all EPC Members. It shall have the responsibilities as defined further in the present Charter. It shall be supported in its role by the Board, the Audit Committee, the Nominating and Governance Committee and the Director General.

The Board shall report to the General Assembly as set out in the present Charter. The Board shall have all powers necessary to accomplish the purpose of the EPC, except for the powers that are specifically granted to other bodies of the EPC by law or the present Charter. The Board shall prepare proposals on matters that are reserved for decision by the General Assembly except for those matters that are within the responsibility of the Audit Committee and the Nominating and Governance Committee.

The Board shall be supported by the Director General and by the Working Groups, Support Groups and the Task Forces that the Board may establish and revoke from time to time. The Board shall also be supported by Board committees that it may establish and revoke from time to time.

The Scheme Management Governance Bodies shall decide on matters related to the management of the SEPA Schemes and their evolution upon delegation from the Board. The further details of such delegation shall be set out in the Scheme Management Internal Rules. The Board shall decide in cases of dispute about questions of scope and delegation.

ARTICLE 4. Membership

The EPC shall have two membership categories: EPC Members and Associate Members.

All references in the present Charter to “Member” or “Members” without any other specification are references to EPC Member(s) and Associate Member(s) collectively.

The rights and obligations of the Members shall be as defined in the present Charter.

4.1. EPC Membership

The category of EPC Membership is open to any legal entity which has been legally constituted and has the legal personality in accordance with the laws and practices of its country of origin and:

- - has received an authorisation - which has not been suspended or withdrawn - from a competent authority of the European Economic Area and is regulated as a ‘payment service provider’ as defined in Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the



internal market amending Directives 97/7/EC, 2002/65/EC, 2005/60/EC and 2006/48/EC and repealing Directive 97/5/EC (i.e. the Payment Services Directive), as amended from time to time, or has received an equivalent authorisation - which has not been suspended or withdrawn - from an equivalent competent authority established in another country or territory included with the geographical scope of the SEPA Schemes; or

- - is a legal entity representing and, directly or indirectly, having as members PSPs, and being established in a country or territory included with the geographical scope of the SEPA Schemes.

The General Assembly shall endeavour that the EPC Membership shall be and remain representative of the European PSP communities by taking into account the following criteria:

- geographical, sectoral and institutional diversity;
- payment business volume; and
- consistency with the overall composition of the Scheme Participants' "population".

When the Board opines that the EPC Membership is not, or may no longer be, representative of the European PSP communities as set out above, it shall promptly recommend appropriate action to be taken by the General Assembly. If necessary, such action may include the amendment of the EPC's purpose and mission through the adoption and approval of a new Charter.

EPC Members shall enjoy all membership rights, including the right to attend the meetings of the General Assembly and have voting rights at the General Assembly.

Any applicant to EPC Membership shall submit an application for admission to membership to the Director General, who shall submit this application to the Nominating and Governance Committee. The Nominating and Governance Committee shall submit its recommendation on the application for admission to membership to the General Assembly, which shall in turn decide on the admission to membership. The decisions of the General Assembly regarding membership admissions are final, sovereign and shall be motivated. EPC Membership may neither be assigned nor transferred.

4.2. Associate Membership

The category of Associate Membership is open to any legal entity which meets the criteria to be eligible as an EPC Member but does not wish to: (i) pay the membership fees applicable to EPC Members, (ii) attend the meetings of the General Assembly and (iii) have voting rights at the General Assembly.

Associate Members shall have the rights specifically granted to them pursuant to this Charter. These rights shall not include the right to attend the meetings of the General Assembly and voting rights at the General Assembly. Associate Members shall have the right to propose representatives for participation in one or more Working Group(s) and/or Support Group(s) and to receive all relevant information and communications related to the Working Group(s) and/or Support Group(s) in which they participate.

Any applicant to Associate Membership shall submit an application for admission to Associate Membership to the Director General, who shall submit this application to the Nominating and Governance Committee. The Nominating and Governance Committee shall submit its recommendation on the application for admission to Associate Membership to the Board, which shall in turn decide on the admission to Associate Membership. The decisions of the Board regarding Associate Membership admissions



are final, sovereign and shall be motivated. Associate Membership may neither be assigned nor transferred.

The Associate Members' rights and obligations as provided for in the present Charter may be modified via an amendment to the present Charter without any approval or similar consent of the Associate Members.

4.3. Members' obligations

Each EPC Member and, as far as relevant, each Associate Member shall:

- sign the present Charter for acceptance;
- act at all times in a manner compatible with the purpose and mission of the EPC as set out in Article 1 of the present Charter;
- be responsible for its representative's travel and accommodation expenses, and this regardless of this representative's role in the EPC bodies; and
- contribute to the budget of the EPC, with such membership fees and additional contributions as determined by the EPC.

Each Member undertakes to notify the EPC immediately of becoming aware of any of the following events:

- the Member ceases to satisfy the membership requirements specified above in Articles 4.1 or 4.2 of the present Charter;
- the Member is in a situation of bankruptcy, judicial reorganisation, dissolution or liquidation or is subject to insolvency proceedings of a similar nature under the laws of any jurisdiction.

Members shall not be liable for the obligations of the EPC.

4.4. Withdrawal and exclusion of a Member

Any Member shall be entitled to withdraw from the EPC at all times by giving written notice via registered mail or via any other means of written communication (including e-mail) with acknowledgment of receipt to the Chair with a copy to the Director General via similar means indicating a future date for withdrawal. Once a Member has declared its withdrawal, the withdrawing Member may only revoke its withdrawal with the prior written approval of the Chair. The withdrawal shall be effective on the date for withdrawal indicated in the written notice which has been sent to the Chair.

A Member or the successor to its rights and obligations which, in whatever way and for whatever reason (e.g. withdrawal or exclusion), ceases to be a Member of the EPC shall be fully liable for the due performance of all its obligations under the present Charter incurred prior to its effective withdrawal or exclusion from the EPC, in particular all costs (including the payment of the membership fees and the additional contributions) which would otherwise be its responsibility for the calendar year in which the notice of withdrawal is received or the decision of exclusion is taken. If the notice of withdrawal is received or if the exclusion of the Member is taken in the last two months of a calendar year, the withdrawing or excluded Member's liability extends to the totality of such costs for the following calendar year. A Member or the successor to its rights and obligations which, in whatever way and for whatever reason (e.g. withdrawal or exclusion), ceases to be a Member of the EPC shall also (i) have no claims for compensation on the EPC or for its assets, and (ii) forthwith cease to hold itself out as a Member in any manner.



4.5. Suspension and exclusion of a Member

The General Assembly may suspend or exclude a Member with immediate effect (or with effect from such time and date as the General Assembly may specify) in the following circumstances:

- if the Member ceases to satisfy the requirements set out respectively in Articles 4.1 or 4.2 of the present Charter;
- if any of the events set out in Article 4.3, second paragraph of the present Charter occurs; or
- where, in the opinion of the EPC, the Member is in material breach of any provision of the present Charter, the Internal Rules of the EPC, and/or any decision validly taken by the bodies of the EPC, and/or circumstances have arisen which could be prejudicial or represent a threat to the integrity or reputation of the EPC.

The General Assembly shall take its decisions by way of Resolutions. Before suspending or excluding a Member, the Chair shall provide the concerned Member with the relevant details in writing via registered mail thirty (30) calendar days in advance of the proposed suspension or exclusion date. The concerned Member has thirty (30) calendar days to definitely remedy the consequences of the breach or breaches having led to the proposal of suspension or exclusion of the concerned Member. The General Assembly may decide to suspend or exclude a Member, provided that the concerned Member is convened at the meeting and has received the possibility to defend its position during the meeting of the General Assembly and prior to the voting on the suspension or exclusion. The decisions of the General Assembly regarding the suspension or exclusion of a Member are final, sovereign and shall be motivated.

4.6. EPC Members' Representatives

Each EPC Member shall nominate one natural person, called the "Representative", for an indefinite term, to represent it within the EPC.

Each EPC Member may nominate an Alternate for its Representative, in the event that the Representative is not available. This Alternate has the same rights and obligations as the Representative.

If a Representative is absent from three consecutive meetings of the General Assembly, the General Assembly may, in its discretion, require that the EPC Member concerned nominates a new Representative.

In case a Representative does not any more meet the requirements set forth in Article 4.7 of the present Charter or is no longer designated to represent his/her EPC Member, the EPC Member concerned will nominate another natural person as its Representative. Written notification thereto shall be provided to the Secretariat as soon as possible, the latter notifying all EPC Members.

The detailed rules and requirements regarding the Representatives are set out in the Internal Rules of the EPC.



4.7. Requirements for Representatives

To qualify as a Representative a natural person must at a minimum:

- be a senior professional ; and
- have direct access to and be duly mandated by top management of the EPC Member that he/she represents.

A more comprehensive list of requirements shall be set forth in the Internal Rules of the EPC.

4.8. Principle of single chairmanship

No Representative shall simultaneously hold more than one office of chair of the following bodies of the EPC: General Assembly, Board, Nominating and Governance Committee, Audit Committee, Scheme Management Board, Working Groups, and Support Groups.

Notwithstanding the above provision, the Chair is the Chair of the General Assembly and the Board, and the Vice-Chair is the Vice-Chair of the General Assembly and the Board.

4.9. Membership fees

Each EPC Member shall pay membership fees per year, as proposed by the Director General in consultation with the Audit Committee and decided by the General Assembly. Each year, the amount of membership fees and the calculation method for the membership fees for each EPC Member shall be proposed by the Director General in consultation with the Audit Committee and decided by the General Assembly based on the following criteria which are detailed in the Internal Rules of the EPC: the relevant costs, the work-plan and the number of Members.

Each Associate Member shall pay membership fees per year, as proposed by the Director General in consultation with the Audit Committee and decided by the General Assembly. Each year, the amount of membership fees and the calculation method for the membership fees for each Associate Member shall be proposed by the Director General in consultation with the Audit Committee and decided by the General Assembly based on the following criteria which are detailed in the Internal Rules of the EPC: the relevant costs, the work-plan and the number of Members.

Members joining the EPC during a financial year shall pay the amount of membership fees as calculated for their membership category on a pro-rata basis.

In addition to membership fees, Members can be subject to the payment of additional contributions. The amount of the additional contributions shall be proposed by the Director General in consultation with the Audit Committee and decided by the General Assembly.

The Board shall decide each year on the invoicing procedure and the time for payment of the membership fees.

ARTICLE 5. The General Assembly

5.1. The role of the General Assembly

The General Assembly is composed of all EPC Members. Each EPC Member shall be represented at the General Assembly by its Representative pursuant to Article 4.6 of the present Charter. The General Assembly shall meet at least twice a year.



Associate Members shall not have the right to attend the meetings of the General Assembly.

The General Assembly shall have the powers specifically granted to it by law or the present Charter. In particular, the General Assembly shall have the following powers:

- approve the annual accounts, the annual work-plan and the annual budget;
- receive reports from the Board, the Audit Committee and the Nominating and Governance Committee;
- elect and revoke the members of the Board;
- elect and revoke the members of the Audit Committee and the members of the Nominating and Governance Committee;
- elect and revoke the Chair and the Vice-Chair;
- elect and revoke the external accountant and determine his/her/its remuneration;
- if applicable, elect and revoke the statutory auditor and determine his/her/its remuneration;
- grant discharge to the members of the Board and the external accountant and, if any, to the statutory auditor;
- approve the amount of the membership fees and the calculation of the membership fees, upon proposal of the Director General in consultation with the Audit Committee;
- approve the amount of the additional contributions, upon proposal of the Director General in consultation with the Audit Committee;
- approve amendments to the present Charter and the Internal Rules of the EPC; and
- dissolve the EPC, decide on the allocation of the EPC's net assets in case of dissolution, and elect one or more liquidator(s).

5.2. General Assembly Resolutions and register of minutes

The General Assembly expresses its positions and its decisions by means of Resolutions. The Secretariat maintains a register of minutes, evidencing notably the Resolutions made, at the registered office of the EPC, where all EPC Members may consult it, without, however, displacing it. Minutes shall be drawn up at each meeting of the General Assembly. They shall be approved and signed by the Chair and kept in a register of minutes. Copies of the minutes shall be sent by the Secretariat to the EPC Members.

5.3. Observers and Guests

Upon recommendation of the Nominating and Governance Committee, the General Assembly may decide to confer the status of observer to one or more third party(ies). Observers shall have the right to attend the meetings of the General Assembly. The General Assembly may revoke the status of observer at any time.

The Chair may invite one or more third party(ies) as guest(s) to attend one or more meeting(s) of the General Assembly.

Observers and guests shall have no further rights pursuant to the present Charter, except the right to attend the meetings mentioned in the present Article.



5.4. General Assembly meetings and voting procedure

5.4.1. General Assembly meetings

Frequency of meetings

The Chair shall call physical meetings of the General Assembly at least twice a year. Under exceptional circumstances, an extraordinary meeting of the General Assembly shall be convened by the Chair at the request of the Board or at least one third (1/3) of the EPC Members.

Notice of meetings and agenda

EPC Members shall receive from the Secretariat written notice of the date, time and place of a meeting no less than four (4) weeks before the date of the meeting. The agenda of a meeting and the material documents necessary for the discussion will be sent no less than two (2) weeks before the date of the meeting.

Until three (3) weeks before the date of a meeting, any EPC Member shall have the right to propose to the Chair with copy to the Director General an item to be put on the agenda of a meeting. It shall be left to the sole discretion of the Chair to put or not to put such item on the agenda. The Secretariat shall without undue delay inform the EPC Member concerned accordingly.

No vote shall be cast regarding an item that is not listed on the agenda.

Each EPC Member shall have the right, before, during or after a meeting of the General Assembly, to waive the convening formalities and periods required by the present Article. Unless it disagrees, any EPC Member present or represented at a meeting of the General Assembly shall be considered to have been regularly convened to this meeting.

Proxies

Each EPC Member shall have the right, via regular mail or via any other means of written communication (including e-mail), always with copy to the Director General via similar means, to give a proxy to another EPC Member to be represented at a meeting of the General Assembly. No EPC Member may hold more than two (2) proxies.

Each EPC Member shall have the right, via regular mail or via any other means of written communication (including e-mail), always with copy to the Secretariat via similar means, to give a proxy to another EPC Member or a third party in case of a General Assembly having to adopt in the presence of a notary amendments to the present Charter which must be recorded in a notarial deed, provided that these amendments have been previously approved by the General Assembly according to the voting quorums stipulated in Article 17 of the present Charter. In that case, each EPC Member or third party may hold an unlimited number of proxies, provided that the General Assembly shall always be constituted of at least two natural persons being physically present.

5.4.2. Quorum and voting procedures

A meeting of the General Assembly requires that at least two thirds (2/3) of the EPC Members are present or represented (i.e. presence quorum) for decisions to be validly taken. In any event, the General Assembly shall always be constituted of at least two (2) natural persons being physically present.

If two thirds (2/3) of the EPC Members are not present or represented at the first meeting, a second meeting of the General Assembly may be convened pursuant to Article 5.4.1 of the present Charter. The second meeting of the General Assembly shall validly deliberate and take decisions, provided that at least half of the EPC Members are



present or represented. If half of the EPC Members are not present or represented at the second meeting, a third meeting of the General Assembly may be convened pursuant to Article 5.4.1 of the present Charter. The third meeting of the General Assembly shall validly deliberate and take decisions, irrespective of the number of EPC Members present or represented.

Each EPC Member has one (1) vote. Unless otherwise stipulated in the present Charter, any Resolution shall be validly adopted if it obtains a qualified majority of two thirds (2/3) of the votes cast by the EPC Members present or represented (i.e. voting quorum). Blank votes, invalid votes and abstentions do not count. No Resolution may be passed if more than half of the EPC Members present or represented abstains.

If ever there is an issue that refers exclusively to Euro matters and affects only EPC Members in those countries that have adopted the Euro, and if a vote on a proposed Resolution, related to such an issue, resulted in more than one third (1/3) of the EPC Members present or represented voting against said Resolution, then another vote on that same Resolution would be organised, in which the voting rights of all EPC Members from Euro countries would count double.

Votes (in favour, against, abstain) are disclosed to the EPC Members present at the meeting and shall be recorded separately for the purpose of the vote and minutes.

Any vote which involves a person will be made without the presence of the person concerned.

5.4.3. Voting by written procedure

In exceptional cases and when the urgency of the matter so requires, the General Assembly may take decisions by a written procedure. To that effect, the Chair, with the assistance of the Secretariat, shall send via regular mail or via any other means of written communication (including e-mail) he/she deems fit, the proposed Resolution(s) to all EPC Members. The communication shall be accompanied by a memorandum prepared by the Chair setting forth the reasons which have led to the use of the written procedure, the deadline for the vote as well as the context of the proposed Resolution(s). The proposed Resolution(s) shall be deemed adopted, if within fifteen (15) working days after being sent, the number of, and votes attached to, the duly completed communications returned to the Secretariat by the EPC Members is sufficient to meet the quorums and voting requirements set forth in the present Charter.

Votes in favour, against and abstentions shall be recorded separately by the Secretariat. Results of the vote must be communicated to all EPC Members by the Secretariat within five (5) working days of the close of voting.

The Resolutions taken via the written procedure shall have the same legal force as the resolutions taken at a meeting of the General Assembly. However neither amendments to the Charter, nor an election except in exceptional circumstances as set out in the present Charter, nor other decisions on natural persons may be made/taken by a vote via the written procedure.

5.4.4. Election of natural persons

The election of a natural person may only be organised during physical meetings of the General Assembly. EPC Members vote by secret ballot. The election may require one (1) or two (2) voting rounds:

- in a first voting round, EPC Members may vote for any presented candidate. Any candidate who gathers more than half of the votes of the EPC Members present or represented, is elected;



- if no candidate gathers more than half of the votes of the EPC Members present or represented, a second voting round shall take place immediately. Only the two (2) candidates having gathered the highest number of votes during the first round may participate in the second round. The candidate gathering a relative majority (i.e. obtains the highest number of the votes cast by the EPC Members present or represented) is elected.

By derogation from Article 5.4.3 and the first paragraph of the present Article, the appointment of one or more replacement members of the Nominating and Governance Committee as provided for by Article 9.2, second paragraph of the present Charter and/or the appointment of one or more replacement members of the Audit Committee as provided for by Article 10.2, second paragraph of the present Charter may be made/taken by a vote via the written procedure.

ARTICLE 6. The Board

6.1. Role of the Board

The Board shall have the powers necessary to accomplish the purpose and mission of the EPC, except for the powers that are specifically granted to other bodies of the EPC by law or the present Charter. The Board shall act as a collegial body (in French: "*organe collégial*" / in Dutch: "*collegiaal orgaan*").

The Board shall in particular have the following powers:

- taking decisions on matters within the scope of the work of the EPC within the scope of Article 1 of the present Charter, such as deliverables, proposals and positions to be prepared by the EPC, and alliances required for the execution of its mission;
- preparing reports to the General Assembly about the exercise of its role and functions;
- reviewing and approving the agendas of the meetings of the General Assembly and making recommendations for the Resolutions to be taken by the General Assembly;
- monitoring the implementation of its decisions;
- upon receipt of the draft annual accounts, the draft annual work-plan, and the draft annual budget from the Director General, finalising the annual accounts, the annual work-plan, and the annual budget that must be submitted to the approval of the General Assembly;
- receiving reports of the Scheme Management Board, ensuring the Scheme Management Board remains within its delegated authorities and acts at all times in the best interests of the Schemes;
- establishing and discontinuing Working Groups, Support Groups, Task Forces and Board committees and approving their terms of reference and composition. The Board will provide the mandate, oversee, monitor and provide advice and guidance to Working Groups, Support Groups and Task Forces and Board committees; and
- granting discharge to the Director General.

6.2. Composition of the Board

The EPC shall be administered by a Board composed of minimum eighteen (18) and maximum thirty (30) members. The members of the Board shall be elected by the General Assembly. Except for the member of the Board being the Chair who may or



may not be a Representative, the members of the Board shall be Representatives from EPC Members.

The composition shall be determined as follows:

- the Chair shall be a member of the Board as of right;
- the Vice-Chair shall be elected by the General Assembly from amongst the members of the Board;
- maximum five (5) members of the Board who are Representatives of different European PSP sector associations;
- the remaining members of the Board shall be Representatives from National Communities (or “coalitions” of National Communities) based on payment volumes as described in the Internal Rules of the EPC;
- the members of the Board shall not belong to the same corporate banking group.

The more detailed composition criteria of the Board shall be set out in the Internal Rules of the EPC.

The members of the Board are elected for a two-year term that may be renewed for identical terms.

The mandate of a member of the Board expires at the end of its term. The mandate of a member of the Board terminates as of right and with immediate effect, (i) by death or incapacity, or (ii) if a member of the Board ceases to be employed by or is no longer otherwise linked to the EPC Member he/she is representing, or (iii) if the EPC Member the member of the Board represents, for whatever reason, is suspended or excluded in accordance with Articles 4.4 and 4.5 of the present Charter, or (iv) if the EPC Member the member of the Board represents, is in a situation of judicial administration, or bankruptcy, judicial reorganisation, dissolution or liquidation, or is subject to insolvency proceedings of a similar nature under the laws of any jurisdiction, or (v) if the EPC Member the member of the Board represents, no longer meets the EPC membership criteria set out in Article 4.1 of the present Charter, or (vi) if a member of the Board no longer meets the criteria for Representatives set out in Article 4.7 of the present Charter.

The mandate of a member of the Board also terminates upon revocation by the General Assembly. The General Assembly may revoke a member of the Board at any time. Prior to taking a decision on a revocation the member of the Board concerned shall be convened at the meeting and shall receive the possibility to defend his/her position during the meeting of the General Assembly. The General Assembly shall motivate its decision.

The members of the Board are free to resign from their office at any time by submitting, via registered mail or via any other means of written communication (including e-mail) with acknowledgment of receipt, their resignation to the Chair with a copy to the Director General via similar means.

If the mandate of a member of the Board ceases before its term, for whatever reason, the General Assembly may appoint a new member of the Board for the remainder of the term, provided that the candidate member to be appointed fulfils the criteria for the composition of the Board of the replaced member of the Board.

If a member of the Board is absent from three consecutive meetings of the Board, the General Assembly may, in its discretion, decide to revoke the concerned member of the Board and elect a new member of the Board.



The members of the Board shall at all times refrain from acting against the EPC's interests.

6.3. Terms of reference of the Board

6.3.1. Frequency of meetings

The Chair shall call physical meetings of the Board at least four (4) times a year. Under exceptional circumstances, an extraordinary meeting of the Board shall be convened by the Chair at the request of at least one third (1/3) of the members of the Board. Exceptionally, meetings of the Board may be organised by telephone, video or web conference if deemed necessary by the Chair.

6.3.2. Notice of meetings

The members of the Board shall receive from the Secretariat written notice of the date, time and place of a meeting no less than three (3) weeks before the date of the meeting. The agenda of a meeting and the material documents necessary for the discussion will be sent no less than two (2) weeks before the date of the meeting.

Notices of extraordinary meetings of the Board organised by telephone, video or web conference and the related agenda and the material documents necessary for the discussion may be sent out at shorter notice in accordance with the circumstances and the urgency of the matters to be discussed.

Each member of the Board shall have the right, before, during or after a meeting of the Board, to waive the convening formalities and periods required by the present Article 6.3. Unless he/she disagrees, any member of the Board present or represented at a meeting of the Board shall be considered to have been regularly convened to this meeting.

6.3.3. Agenda for meetings

When the agenda of a meeting is sent by the Secretariat items on the agenda of a confidential nature will be explicitly identified as such. Until three (3) weeks before the date of a meeting, any member of the Board shall have the right to propose to the Chair with copy to the Director General an item to be put on the agenda of a meeting. It shall be left to the sole discretion of the Chair to put or not to put such item on the agenda. The Secretariat shall without undue delay inform the member of the Board concerned accordingly.

6.3.4. Participation in meetings

6.3.4.1. Quorum

A meeting of the Board requires that at least two thirds (2/3) of the members of the Board are present or represented (i.e. presence quorum) for decisions to be validly taken. In any event, the Board shall always be constituted of at least two (2) members of the Board being physically present.

If two thirds (2/3) of the members of the Board are not present or represented at the first meeting, a second meeting of the Board may be convened pursuant to Articles 6.3.2 and 6.3.3 of the present Charter. The second meeting of the Board shall validly deliberate and take decisions, provided that at least half of the members of the Board are present or represented. If half of the members of the Board are not present or represented at the second meeting, a third meeting of the Board may be convened pursuant to Articles 6.3.2 and 6.3.3 of the present Charter. The third meeting of the Board shall validly deliberate and take decisions, irrespective of the number of members of the Board present or represented.



6.3.4.2. Proxies

Each member of the Board shall endeavour to be physically present at the meetings of the Board. Each member of the Board shall have the right, via regular mail or via any other means of written communication (including e-mail), always with copy to the Director General via similar means, to give a proxy to another member of the Board to be represented at a meeting of the Board. No member of the Board may hold more than two (2) proxies.

6.3.4.3. Other participants

Non-members of the Board may be invited by the Chair to attend at any meeting (or part thereof) for a specific purpose with observer (i.e. non-voting) status.

6.3.5. Decision making process

6.3.5.1. By consensus

The Board makes decisions first and foremost by consensus amongst its members. It is the task of the Chair to achieve such consensus when possible.

6.3.5.2. Voting procedure

In circumstances where such consensus cannot be achieved as appropriate, the Board will make its decision(s) via a vote. Any member of the Board shall be entitled to vote at a meeting of the Board. Each member of the Board has one (1) vote. Any decision taken by vote shall be validly adopted if it obtains a qualified majority of two thirds (2/3) of the votes cast by the members of the Board present or represented (i.e. voting quorum). Blank votes, invalid votes and abstentions do not count. No decision may be passed if more than half of the members of the Board present or represented abstains.

Votes (in favour, against, abstain) are disclosed to the members of the Board present at the meeting and shall be recorded separately for the purpose of the vote and minutes.

Any vote which involves a person will be made without the presence of the person concerned.

Voting by written procedure

In exceptional cases and when the urgency of the matter so requires, the Board may take decisions by a written procedure. To that effect, the Chair, with the assistance of the Secretariat, shall send via regular mail or via any other means of written communication (including e-mail) he/she deems fit, the proposed decision(s) to all members of the Board. The communication shall be accompanied by a memorandum prepared by the Chair setting forth the reasons which have led to the use of the written procedure, the deadline for the vote as well as the context of the proposed decision(s). The proposed decision(s) shall be deemed adopted, if within five (5) working days after being sent, the number of, and votes attached to, the duly completed communications returned to the Secretariat by the members of the Board is sufficient to meet the quorums and voting requirements set forth in the present Charter.

Votes in favour, against and abstentions shall be recorded separately by the Secretariat. Results of the vote must be communicated to all members of the Board by the Secretariat within two (2) working days of the close of voting.

The decisions taken via the written procedure shall have the same legal force as the decisions taken at a meeting of the Board.

The decisions of the Board regarding the admission of new Associate Members may in any case be taken by a written procedure.



6.3.6. Referral to the General Assembly

If at least 33% of the total number of EPC Members or at least 33% of the total number of members of the Board so request, a matter that should be decided upon by the Board shall be referred to the General Assembly for decision. To this end, a reasoned written request, signed by the relevant Representatives of EPC Members or members of the Board, shall be provided to the Chair and the Director General, no later than one working day in advance of the Board meeting at which the matter would be decided upon. In case of such a referral, the Board shall make a recommendation on the matter to the General Assembly and the latter shall take a Resolution on the matter.

6.3.7. Register of minutes

The Secretariat maintains a register of minutes, evidencing notably the decisions made, at the registered office of the EPC, where all members of the Board may consult it, without, however, displacing it. Minutes shall be drawn up at each meeting of the Board. They shall be approved and signed by the Chair and kept in a register of minutes. Copies of the minutes shall be sent by the Secretariat to the members of the Board.

6.3.8. Information of EPC Members

Except for any item and/or document which relates to confidential matters, as decided by the Chair, the agenda, the material documents necessary for the discussion, and the approved minutes of the meetings of the Board shall be sent by the Secretariat to all EPC Members.

ARTICLE 7. The Chair and The Vice-Chair

7.1. Role of the Chair

The Chair chairs the meetings of the General Assembly and the Board. At meetings, and in-between meetings, the Chair will be intent on:

- firstly, ensuring that the conditions for wide and open debate exist; and
- secondly, creating where necessary the conditions for bringing together diverging opinions, in order to deliver the consensus that is essential at the industry level.

The Chair at all times represents the EPC's interests, and not the interests of a specific institution or organisation or National Community.

At European level, the Chair will represent the EPC and communicate notably with:

- the European Central Bank;
- the European Commission, the European Parliament, and other European Union institutions; and
- the various European Stakeholder groups.

7.2. Requirements for the Chair and the Vice-Chair

Candidates to the function of Chair and Vice-Chair must demonstrate strong leadership skills, with a broad and deep knowledge of, and senior executive experience in, the payments industry. Candidates must be well respected and credible in the EPC membership and in the wider Stakeholders community. Candidates for the position of Chair may be representatives of Members or any independent natural person, be professionally active or recently retired from professional life. Their careers must have been predominantly developed in the euro area, to represent adequately EPC Members from euro countries. Candidates for the position of Vice-Chair must be members of the Board.



7.3. Term for the Chair and the Vice-Chair

The Chair is elected by the General Assembly for a two-year term that may be renewed twice for identical terms. (A) Candidate(s) meeting the requirements set out in Article 7.2 of the present Charter will be recommended to the General Assembly by the Nominating and Governance Committee.

The Vice-Chair is elected among the members of the Board by the General Assembly for a two-year term that may be renewed twice for identical terms. (A) Candidate(s) meeting the requirements set out in Article 7.2 of the present Charter will be recommended to the General Assembly by the Nominating and Governance Committee.

Each new Chair or Vice-Chair who is elected by the General Assembly to replace a Chair or Vice-Chair, whose mandate has terminated before its term, shall only be elected for the remainder of the term of the Chair or Vice-Chair being replaced.

The mandate of the Chair and the Vice-Chair terminates by expiry of the term of their mandate. The mandate of the Chair and the Vice-Chair terminates as of right and with immediate effect, (i) by death, incapacity, or (ii) by expiry of their mandate as member of the Board.

The General Assembly may revoke the Chair as Chair and the Vice-Chair as Vice-Chair at any time. Prior to taking a decision on the revocation the Chair or Vice-Chair concerned shall be convened at the meeting and shall receive the possibility to defend his/her position during the meeting of the General Assembly. The General Assembly shall motivate its decision.

The Chair and the Vice-Chair are also free to resign from their office at any time by submitting, via registered mail or via any other means of written communication (including e-mail) with acknowledgment of receipt, their resignation to the Board with a copy to the Director General via similar means.

7.4. Vice-Chair

The Vice-Chair shall be selected presuming that he/she replaces the Chair when the latter is not available. Consequently, Article 7.1 of the present Charter also applies to the Vice-Chair when replacing the Chair. If the Chair and the Vice-Chair are both not available, the Board shall designate an acting Chair from amongst the other members of the Board.

7.5. Compensation Committee

When required, the Chair and the Vice-Chair form the "compensation committee" to define and review the employment conditions of the Director General, and to give general directions for the employment conditions of the EPC employees.

7.6. External representation of the EPC

The EPC shall be validly represented vis-à-vis third parties and with regard to all deeds by the Chair, acting individually.

Legal proceedings, either as plaintiff or as defendant, shall be conducted by the Board represented by the Chair, acting individually.

Within the framework of daily management, the EPC shall also be validly represented vis-à-vis third parties and with regard to all deeds by the Director General, acting individually.

None of the aforementioned persons must justify his/her powers vis-à-vis third parties.



In addition, the EPC shall also be validly represented vis-à-vis third parties, within the framework of their mandates, by proxy-holders duly mandated by the General Assembly, or the Board, or, within the framework of the daily management, by the Director General, acting individually.

Only Resolutions of the General Assembly and decisions of the Board, in addition to the decisions of the Scheme Management Governance Bodies in the exercise of their scheme management functions, may be presented as representative of the position of the EPC.

ARTICLE 8. The Director General and the Secretariat

The Director General shall have the powers specifically granted to him/her by law or the present Charter. In particular, the Director General shall have the following powers:

- performing the daily management of the EPC;
- representing the EPC vis-à-vis third parties as part of the daily management or as delegated by the Board or the Chair;
- ensuring the legal compliance of the EPC, by among others ensuring that the EPC adheres to recurrent obligations as an international non-profit association;
- drafting the agendas of the Board and preparing the draft agendas of the General Assembly that must be submitted to the approval of the Board;
- drafting the minutes of meetings of the General Assembly and the Board for approval by the relevant bodies;
- in consultation with the Audit Committee, preparing the draft annual accounts, the draft annual work-plan, and the draft annual budget that must be submitted to the final approval of the General Assembly;
- in consultation with the Audit Committee, defining proposals for the membership fees, the calculation of the membership fees, and the additional contributions from the Members that must be submitted to the final approval of the General Assembly; and
- ensuring coordination of all bodies of the EPC in order to help the EPC achieve effectively its purpose and mission;
- ensuring and monitoring that the bodies of the EPC comply with the Resolutions and decisions taken by the bodies of the EPC.

The Board may delegate specific powers as it deems fit to the Director General. The Board may at any time revoke the specific powers it has granted to the Director General.

The appointment of the Director General is approved by the Board on the joint recommendation of the Chair and the Nominating and Governance Committee.

The mandate of the Director General terminates by expiry of the term of his/her mandate. The mandate of the Director General also terminates as of right and with immediate effect, by death or incapacity.

The Board may revoke the Director General at any time. Prior to taking a decision on the revocation the Director General shall be convened at the meeting and shall receive the possibility to defend his/her position during the meeting of the Board. The Board shall motivate its decision.

The Director General is also free to resign from his/her office at any time by submitting, via registered mail or via any other means of written communication (including e-mail)



with acknowledgment of receipt, his/her resignation to the Chair, subject to applicable contract arrangements.

The Director General reports to the Board and to the Chair, and works according to the terms of the present Charter, the specific powers delegated by the Board, the Resolutions of the General Assembly and the decisions of the Board.

The Director General presents all relevant issues to the Board, the General Assembly and the Scheme Management Board meetings.

The Director General shall always act under the responsibility of the Board. The Director General shall report, at least twice a year and/or at the request of the Board, to the Board on his/her actions and activities regarding the daily management of the EPC and the activities of the Secretariat.

The Secretariat works under the authority of the Director General. The role of the Secretariat is to provide management and administrative support to EPC activities. This includes support for process management, Scheme Management, management of the EPC information and communication services, support to EPC governance bodies, the Scheme Management Governance Bodies, the Audit Committee, the Nominating and Governance Committee, Working Groups, Support Groups, Task Forces and Board committees that the Board may establish and revoke from time to time.

The Secretariat shall provide secretarial and project management services to the bodies mentioned in the previous paragraph. The Secretariat is funded through the budget of the EPC.

ARTICLE 9. THE NOMINATING AND GOVERNANCE COMMITTEE

9.1. Role of the Nominating and Governance Committee

The Nominating and Governance Committee shall make recommendations to the General Assembly and to the Board, either upon their request, or on its own initiative. It has no decision-making power. The Nominating and Governance Committee shall have the powers specifically granted to it by the present Charter. The recommendations notably concern:

- reviewing the Charter and the Internal Rules of the EPC;
- ensuring that there is at least one eligible candidate for each of the Chair and Vice-Chair positions;
- reviewing candidate members to the Board, the Audit Committee, the Scheme Management Governance Bodies, and the Working Groups and Support Groups;
- reviewing the terms of reference of all Working Groups and Support Groups;
- reviewing the terms of reference of all Task Forces;
- reviewing the composition of the Board;
- reviewing the composition of the Audit Committee;
- reviewing candidates as Director General;
- reviewing the composition of the Scheme Management Board.

The Nominating and Governance Committee shall always act under the responsibility of the General Assembly. The Nominating and Governance Committee shall report, at least twice a year and/or at the request of the General Assembly, to the General Assembly on its actions and activities.



9.2. Composition of the Nominating and Governance Committee

The Nominating and Governance Committee is composed of minimum three (3) and maximum five (5) members. The members of the Nominating and Governance Committee shall be elected among the Representatives of the EPC Members by the General Assembly for a two-year term that may be renewed without any limitation for identical terms.

Any vacancy occurring within a term shall be filled at the first following meeting of the General Assembly with the new member completing the mandate of the departing member. If however the membership of the Nominating and Governance Committee would drop below three members, the General Assembly shall elect one or more replacement member(s) by written procedure within the next two months. By derogation from the above minimum composition, the Nominating and Governance Committee will continue to operate in the interim period of two months.

From amongst the members of the Nominating and Governance Committee, the General Assembly shall elect the chair of the Nominating and Governance Committee.

The terms of reference of the Nominating and Governance Committee are included with the Internal Rules of the EPC.

ARTICLE 10. The Audit Committee

10.1. Role of the Audit Committee

The Audit Committee is responsible for monitoring:

- the integrity of the members of all bodies of the EPC and the Secretariat;
- the respect of corporate compliance;
- efficiency of the use of resources of the EPC; and
- the correct application of relevant internal procedures of the EPC as applicable.

The Audit Committee shall have the powers specifically granted to it by the present Charter. In particular, the Audit Committee shall have the following powers:

- monitor the budgeting, funding and spending processes of the EPC;
- review the draft annual accounts as prepared by the Director General;
- provide advice to the Director General in defining proposals for the draft annual work-plan, the draft annual budget, and the membership fees, the calculation method of the membership fees, and additional contributions from the Members;
- provide advice on the election and revocation of an external accountant and, if any, the statutory auditor, and the determination of his/her/its remuneration, to the General Assembly;
- examine the detailed audit report and management letter if appropriate from the external accountant and, if any, from the statutory auditor, and decide on any follow up action required;
- review the effectiveness of internal control and internal compliance of the EPC;
- review and monitor the EPC risk register on a regular basis;
- assist the Director General to monitor the compliance of the EPC with recurrent obligations as an international non-profit association; and
- present reports and recommendations to the General Assembly as relevant.



The Audit Committee shall always act under the responsibility of the General Assembly. The Audit Committee shall report, at least twice a year and/or at the request of the General Assembly, to the General Assembly on its actions and activities.

The Audit Committee has access to all minutes and documents of all bodies of the EPC.

10.2. Composition of the Audit Committee

The Audit Committee is composed of three members. The members of the Audit Committee shall be elected among the Representatives of the EPC Members by the General Assembly for a two-year term that may be renewed without any limitation for identical terms.

Any vacancy occurring within a term shall be filled at the first following meeting of the General Assembly with the new member completing the mandate of the departing member. If however the membership of the Audit Committee would drop below three members, the General Assembly shall elect one or more replacement member(s) by written procedure within the next two months. By derogation from the above minimum composition, the Audit Committee will continue to operate in the interim period of two months.

From amongst the members of the Audit Committee, the General Assembly shall elect the chair of the Audit Committee.

The terms of reference of the Audit Committee are included with the Internal Rules of the EPC.

ARTICLE 11. Working Groups, Support Groups, Task Forces and Board Committees

11.1. Working Groups and Support Groups

The Board may set up Working Groups and Support Groups and, based on a recommendation from the Nominating and Governance Committee, determine their composition. Supported by specific terms of reference approved by the Board, the Working Groups and the Support Groups receive their mandate (including scope, deliverables, timelines, etc.) from, and report to, the Board. The Working Groups and the Support Groups have no decision-making power. The Working Groups and the Support Groups may only make recommendations to the Board.

The Working Groups and the Support Groups may be composed of representatives of EPC Members and Associate Members. The composition of the Working Groups and the Support Groups shall seek to reflect the market reality in payments, with the objective to achieve a fair and diverse representation of all payment services sectors and types of players while taking into account the particular objectives and the mandate of each Working Group and Support Group.

The Working Groups and the Support Groups shall always act under the responsibility of the Board. The Working Groups and the Support Groups shall report, at least twice a year and/or at the request of the Board, to the Board on their actions and activities.

The detailed rules for among others the mission, the activities, the composition, the obligation to participate in the cost of Working Groups and Support Groups, conduct of meetings and governance, convening modalities and drafting of agendas, quorums and voting procedures, and drafting of minutes of the Working Group and the Support Groups are set out in the Internal Rules of the EPC.



11.2. Task Forces

The Board and/or the Scheme Management Board may set up Task Forces in accordance with the relevant stipulations of the Internal Rules of the EPC or the Scheme Management Internal Rules.

11.3. Board committees

The Board may set up one or more Board committee(s) in accordance with the relevant stipulations of the Internal Rules of the EPC.

ARTICLE 12. Scheme Management

12.1. Overview of Scheme Management

The EPC produces SEPA Scheme Rulebooks as a contribution towards realising SEPA.

Scheme Management consists of two functions. The first function involves the administration of the Schemes and the process of ensuring compliance with their rules, as set out in the Rulebooks, and the second function involves maintaining and managing the evolution of the Schemes.

The detailed rules for Scheme Management are set out in the Scheme Management Internal Rules.

12.2. Scheme Management Governance Bodies

The Scheme Management Board is responsible, under the delegated authority granted by the Board, for performing the functions of management and evolution of the SEPA Schemes.

The Scheme Participants Assembly is composed of all Scheme Participants or their representatives. It receives regular information from the Scheme Management Board about its activity. The Scheme Participants Assembly endorses the nomination of candidates for the Scheme Participants seats on the Scheme Management Board.

The administration and compliance functions of Scheme Management are the responsibility of the Compliance and Adherence Committee.

The Scheme Management Internal Rules set out the appeals process against decisions of the Compliance and Adherence Committee. The Scheme Management appeals function is entrusted to the Appeals Committee.

The Scheme Management Board, the Compliance and Adherence Committee and the Appeals Committee are the Scheme Management Governance Bodies of the EPC. These Scheme Management Governance Bodies are bodies with decision-making power. This power may only be exercised in relation to the specific functions of Scheme Management for which such body is responsible pursuant to the Scheme Management Internal Rules.

The detailed rules for among others the mission, the activities, the powers, the composition, conduct of meetings and governance, convening modalities and drafting of agendas, quorums and voting procedures, and drafting of minutes of the Scheme Management Governance Bodies are set out in the Scheme Management Internal Rules.

12.3. Role of the Board in Scheme Management

The Scheme Management Board shall always act under the responsibility of the Board. The Scheme Management Board shall (i) report to the Board on its activities and



performance at least twice a year and/or at the request of the Board and (ii) comply with the Board's instructions in specified instances if deemed necessary by the Board.

As part of its strategic and decision-making role, the Board shall decide on: (i) the introduction of new Schemes, (ii) the termination of any Scheme, and (iii) strategic changes to be implemented into the Schemes in accordance with the Scheme Management Internal Rules including the geographical scope of the Schemes.

In relation to the administration and compliance role of Scheme Management, the Board shall, upon consultation with the Scheme Participants Assembly, elect the members of the Scheme Management Board and, in certain exceptional cases, revoke the members of the Scheme Management Board in accordance with the Scheme Management Internal Rules.

ARTICLE 13. Annual Accounts, Work-Plan, Budget, Funding and Audit

The financial and budget year of the EPC shall run from 1 January to 31 December. The annual budget of the EPC shall be approved by the General Assembly upon recommendation of the Board. Non-recurrent expenditures may be decided on a case-by-case basis. Each year, within six (6) months following the end of the financial year, the Board shall submit the draft annual accounts and the draft final annual budget to the General Assembly for approval.

The Board shall also submit the draft annual work-plan and budget for the next financial year to the General Assembly for approval before the end of each calendar year.

According to Article 4.3 of the present Charter, each Member is accountable for its membership fees and additional contributions.

To meet a fair and equitable proportion of expenses incurred in relation to Scheme Management, the EPC shall be entitled to levy fees from the Scheme Participants in accordance with the relevant stipulations of the Scheme Management Internal Rules.

If the law requires so, the General Assembly shall elect a statutory auditor, chosen between the members of the Belgian "*Institut des Réviseurs d'Entreprise / Instituut der Bedrijfsrevisoren*", for a term of three (3) years.

If the EPC is not required by law to elect a statutory auditor, the General Assembly may still elect a statutory auditor or an external accountant to audit the annual accounts.

The statutory auditor or the external accountant, as the case may be, shall draw up an annual report on the annual accounts of the EPC. This report shall be submitted to the General Assembly before the approval of the annual accounts.

ARTICLE 14. Offices

The EPC's registered office shall be located at 1040 Brussels, Cours Saint-Michel 30. It may be transferred to any other location in Belgium by a decision of the General Assembly, subject to compliance with the legal provisions governing the use of official languages in Belgium. The Secretariat shall notify the Members in writing of any transfer of the registered office. Any transfer of the registered office shall be published in accordance with the law.

The General Assembly may decide to open EPC branch offices in Belgium or abroad.



ARTICLE 15. Duration

The EPC is established for the duration necessary to realise its purpose.

ARTICLE 16. Charter and Language

Each Member is bound by the present Charter and by any amendment(s) to it. Amendments to the present Charter shall be made by a Resolution passed at a General Assembly meeting pursuant to Article 17 of the present Charter.

If there is a conflict between a provision of the present Charter and any provision of other EPC documents of any kind, the relevant provision of the present Charter shall prevail.

Anything that is not provided for in the present Charter or the Internal Rules of the EPC, shall be governed by the provisions of Title III of the law of 27 June 1921 of the Kingdom of Belgium on non-profit associations, international non-profit associations and foundations.

The business of the EPC shall be conducted in English, without prejudice to applicable legal obligations. The present Charter is written in French and English, but only the French version shall be the official text.

ARTICLE 17. Amendments to the Charter / Dissolution and Liquidation of the EPC

The present Charter may only be amended pursuant to a recommendation of the Nominating and Governance Committee. Any amendment to the Charter shall be validly adopted if it obtains a qualified majority of three fourths (3/4) of the votes cast by the EPC Members present or represented (i.e. voting quorum). Blank votes, invalid votes and abstentions shall count as negative votes. When the law requires it, the amendments to the present Charter shall be acknowledged by a Royal Decree and/or shall be recorded in a notarial deed. The date on which the amendments to the present Charter shall enter into force shall be determined in the Resolution of the General Assembly regarding the amendments to the present Charter. Any decision of the General Assembly relating to the amendments of the Charter is subject to the additional requirements imposed by applicable law.

Any decision to dissolve and liquidate the EPC shall be validly adopted if it obtains a qualified majority of three fourths (3/4) of the votes cast by the EPC Members present or represented (i.e. voting quorum). Blank votes, invalid votes and abstentions shall count as negative votes. Any decision to dissolve and liquidate the EPC shall be published in accordance with the law. Upon the dissolution and liquidation of the EPC, the General Assembly shall decide upon the allocation of the EPC's net assets, provided however that the EPC's net assets may only be allocated to a disinterested purpose.

ARTICLE 18. NOTICES

All notices under the present Charter are in writing. Such notices may be made in any way and using any mechanism. Notices submitted via electronic means, i.e. via e-mail shall be considered as notices in writing.

A communication by post which is correctly addressed is deemed to be made seven (7) calendar days after posting (postage pre-paid). A communication by facsimile transmission is deemed made when the sending fax machine records a complete and



correctly addressed fax transmission. A communication by e-mail is deemed made when the e-mail has been sent, having been properly addressed, and no notice of non-delivery having been received.

ARTICLE 19. Arbitration

If arbitration is deemed necessary by an EPC Member in relation to matters that are not related to Scheme Management, the dispute shall be referred for resolution to a group of three members from the Board. The three members of the Board shall be appointed by the Nominating and Governance Committee, and shall not be directly involved in the dispute.

In relation to Scheme Management, the conduct of appeals arising between Scheme Participants shall be carried out in accordance with the Scheme Management Internal Rules.

ARTICLE 20. Governing Law and Jurisdiction

The present Charter shall be governed by and construed in accordance with Belgian law. In respect of all appeal proceedings commenced in accordance with Article 19, paragraph 2, of the present Charter, Brussels Courts shall ultimately have exclusive jurisdiction to settle any such disputes.

ARTICLE 21. Definitions

In the present Charter, unless the context otherwise requires:

Alternate: is a natural person nominated by an EPC Member in accordance with Article 4.6 of the present Charter, who may represent the EPC Member if the EPC Member's Representative is not able to attend a meeting of the General Assembly.

Appeals Committee: shall have the meaning given in the Scheme Management Internal Rules, as amended from time to time.

Associate Member: means any legal entity which in accordance with Article 4.2 of the present Charter has been admitted as, and has not ceased to be, an Associate Member (the term "Associate Membership" shall be construed accordingly).

Audit Committee: is the committee of the EPC responsible for monitoring the integrity of members of all bodies of the EPC and the Secretariat, the respect of corporate compliance, the efficiency of the use of resources of the EPC, and the correct application of the relevant internal procedures of the EPC.

Board: is the group of Representatives of EPC Members and other natural persons designated pursuant to Article 6.2 of the present Charter responsible for the powers and tasks provided for under Article 6.1 of the present Charter.

Chair: means the natural person elected in accordance with Article 7.3 of the present Charter for the role as described in Article 7.1 of the present Charter.

Charter: means the present Charter, as amended from time to time.

Compliance and Adherence Committee: shall have the meaning given in the Scheme Management Internal Rules, as amended from time to time.

Director General: means the natural person appointed in accordance with Article 8 of the present Charter and who is amongst others entrusted with the daily management of the EPC.



EPC: means the international non-profit association (in French: “association internationale sans but lucratif” / in Dutch: “internationale vereniging zonder winstoogmerk”) named “Conseil Européen des Paiements” in French, abbreviated “CEP” and “European Payments Council” in English, abbreviated “EPC”.

EPC Member: means any legal entity which in accordance with Article 4.1 of the present Charter has been admitted as, and has not ceased to be, an EPC Member (the term “EPC Membership” shall be construed accordingly).

General Assembly: means the body encompassing all EPC Members.

Internal Rules of the EPC: such rules as adopted, approved, modified and/or revoked by the General Assembly to complement the present Charter.

member: means a member of a body in any other context than the above defined terms “Associate Member” and “EPC Member”.

Member: without any other specification means EPC Member(s) and Associate Member(s) collectively.

National Community: means the EPC Members from one and the same country.

Nominating and Governance Committee: means the body providing recommendations to the General Assembly and the Board on nomination and governance matters.

Payment Service Provider (abbreviated: PSP): means any body referred to in Article 1(1) of the Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market amending Directives 97/7/EC, 2002/65/EC, 2005/60/EC and 2006/48/EC and repealing Directive 97/5/EC (hereafter: “PSD”), as well as legal entities and natural persons benefiting from the waiver under Article 26 PSD, as amended from time to time.

Representative: is the natural person nominated by an EPC Member to represent it at the General Assembly and, as the case may be, at the Board.

Resolution: means an official decision of the General Assembly as a result of a vote.

Rulebooks: means the SEPA Credit Transfer Scheme Rulebook and the SEPA Direct Debit Scheme Rulebooks and such other Rulebooks as are produced by the EPC from time to time.

Scheme: the SEPA Credit Transfer Scheme, or the SEPA Direct Debit Core Scheme, or the SEPA Direct Debit Business-to-Business Scheme, or such other payment schemes as the EPC may establish from time to time.

Scheme Management: denotes the maintenance, evolution, administration and compliance mechanisms in relation to a Scheme.

Scheme Management Board: is the EPC body responsible for performing the functions of management and evolution of the Schemes.

Scheme Management Governance Bodies: the EPC decision making bodies in relation to Scheme Management, namely the Scheme Management Board, the Compliance and Adherence Committee, the Appeals Committee and the Scheme Participants Assembly.



Scheme Management Internal Rules: the Scheme Management Internal Rules are a separate document setting out the rules that govern the SEPA Scheme Management, notably rules for the administration and compliance function of SEPA Scheme Management and rules for the development and evolution function of SEPA Scheme Management.

Scheme Participant: is an entity that has adhered to a Scheme.

Scheme Participants Assembly: shall have the meaning given in the Scheme Management Internal Rules, as amended from time to time.

Secretariat: is the person or persons who provide administrative services to support the EPC, as set out in Article 8 of the present Charter.

Single Euro Payments Area (abbreviated: SEPA): for the purpose of the present Charter, SEPA shall encompass the countries and territories which are part of the jurisdictional scope of the SEPA Schemes, as listed in the EPC List of SEPA Scheme Countries, as amended from time to time.

Stakeholders: within the SEPA context, the key stakeholders are: governments, authorities and regulators, the banking and payments industry and their suppliers, corporates, merchants, individual customers and consumers, and their associations.

Support Group: is a body established by and reporting to the Board to investigate a specific range of issues and formulate recommendations to be submitted to the Board.

Task Force: is a small group established by the Board or the Scheme Management Board for a limited period of time, and for a specific scope, and reporting to a Working Group or the Board or the Scheme Management Board, to investigate and formulate recommendations to the Working Group or the Board or the Scheme Management Board.

Vice-Chair: means the natural person elected in accordance with Article 7.3 of the present Charter for the role as described in Article 7.4 of the present Charter.

Working Group: is a body established by and reporting to the Board to investigate a specific range of issues and formulate recommendations to be submitted to the Board.

ARTICLE 22. Transitional Provisions

22.1. Members

Any Member of the EPC which was a Member of the EPC, according to the previous Charter (EPC433-12) shall automatically be an EPC Member according to the present Charter.

By derogation from the present Charter and the Internal Rules of the EPC, the Plenary during its meeting of 11 December 2014 may decide to accept new EPC Members on the basis of the membership requirements set out in Article 4.1 of the present Charter. The decisions taken by the Plenary during its meeting of 11 December 2014 regarding EPC Membership admissions will become effective as from the entry into force of the present Charter.



22.2. Board

By derogation from the present Charter and the Internal Rules of the EPC, the natural persons who were elected as members of the Board by the Plenary during its meeting of 11 December 2014 shall compose the Board, as from the entry into force of the present Charter for the term as decided by the Plenary during its meeting of 11 December 2014.

22.3. Chair

By derogation from the present Charter , the Chair who was in office according to the previous Charter (EPC433-12) based on a decision of the Plenary at its meeting on 18 June 2014 shall remain in office until the end of the term the duration of which was determined by the Plenary on 18 June 2014.

22.4. Vice-Chair

By derogation from the present Charter and the Internal Rules of the EPC, the Vice-Chair who was in office, according to the previous Charter (EPC433-12) based on a decision of the Plenary at its meeting on 18 June 2014, shall remain in office and be a member of the Board for the term as decided by the Plenary during its meeting of 11 December 2014.

22.5. Director General

By derogation from the present Charter , the Secretary General who was in office, according to the previous Charter (EPC433-12) shall become the Director General until the termination of his appointment by the Board or until his resignation.

22.6. Nominating and Governance Committee

By derogation from the present Charter and the Internal Rules of the EPC the natural persons who were elected as members of the Nominating and Governance Committee by the Plenary during its meeting of 11 December 2014 shall compose the Nominating and Governance Committee, as from the entry into force of the present Charter for the term as decided by the Plenary during its meeting of 11 December 2014 or until their resignation or replacement.

22.7. Audit Committee

By derogation from the present Charter and the Internal Rules of the EPC the natural persons who were elected as members of the Audit Committee by the Plenary during its meeting of 11 December 2014 shall compose the Audit Committee, as from the entry into force of the present Charter for the term as decided by the Plenary during its meeting of 11 December 2014 or until their resignation or replacement.

22.8. Legal Support Group

By derogation from the present Charter and the Internal Rules of the EPC the natural persons who were elected as members of the Legal Support Group by the Plenary during its meeting of 11 December 2014 shall compose the Legal Support Group, as from the entry into force of the present Charter for the term as decided by the Plenary during its meeting of 11 December 2014 or until their resignation or replacement.



22.9. Scheme Management Governance Bodies

The Scheme Management Governance Bodies as set out in the present Charter will only start to function and exercise their respective powers as from the entry into force of the revised Scheme Management Internal Rules (EPC207-14)

By derogation from the present Charter, the bodies as provided for by Article 13 of the previous Charter (EPC433-12) shall continue to function and exercise their respective powers until the entry into force of the revised Scheme Management Internal Rules (EPC207-14).

By derogation from the present Charter and as long as the revised Scheme Management Internal Rules (EPC207-14) have not entered into force, the Board shall take on the duties and exercise the powers of the Scheme Management Board until the revised Scheme Management Internal Rules (EPC207-14) have entered into force.

22.10. Membership fees

The membership fees and the calculation method for the membership fees regarding the financial year 2015 as decided upon the Plenary during its meeting of 11 December 2014 shall remain valid upon entry into force of the present Charter.