

**European Payments Council (EPC)**  
**International Non-Profit Association**  
**Register of Legal Persons Brussels**  
**Crossroads Database for Enterprises: 0873.268.927**

**BY-LAWS 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 and payment-related 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 and payment-related issues, driven by a single vision.

## **ARTICLE 2. Object**

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 relevant Scheme Management Governance Documents, as amended from time to time. The EPC is the owner and manager of various payment and payment-related Schemes; and



- define positions and make proposals for its Members and Scheme Participants 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.
- The activities of the EPC can be of a commercial and profitable nature, provided always that the profits generated through these activities shall at all times and entirely be affected to the realisation of the non-profit purpose of the EPC.

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” is governed by the provisions of Book 10 and any other provisions applicable to international non-profit associations of the Belgian companies and associations Code of March 23, 2019.

The General Assembly is composed of all EPC Members. It shall have the responsibilities as defined further in the present By-laws. 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 By-laws. 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 By-laws. 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 relevant Scheme Management Governance Documents. The Board shall decide in cases of dispute about questions of scope and delegation.

### **ARTICLE 4. Membership**

The EPC shall have two (2) membership categories: EPC Members and Associate Members.

All references in the present By-laws 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 By-laws.



## 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’ (PSP) as defined in Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC, hereafter “PSD2”, 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 new By-laws.

EPC Members shall enjoy all EPC 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 EPC 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 EPC Membership to the General Assembly, which shall in turn decide on the admission to EPC Membership. The decisions of the General Assembly regarding EPC 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 the present By-laws. 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), Support Group(s), Multi-Stakeholder Groups and/or Task Forces and to receive all relevant information and communications



related to the Working Group(s), Support Group(s), Multi-Stakeholder Groups and/or Task Forces 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 By-laws may be modified via an amendment to the present By-laws 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 By-laws 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 By-laws;
- 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 By-laws;
- 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 which, in whatever way and for whatever reason (e.g. withdrawal or exclusion), ceases to be a Member shall be fully liable for the due performance of all its obligations under the present By-laws 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 (2) 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 which, in whatever way and for whatever reason (e.g. withdrawal or exclusion), ceases to be a Member 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 or exclusion of a Member

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

- if the EPC Member ceases to satisfy the requirements set out respectively in Articles 4.1 or 4.2 of the present By-laws;
- if any of the events set out in Article 4.3, second paragraph of the present By-laws occurs; or
- where, in the opinion of the EPC, the EPC Member is in material breach of any provision of the present By-laws, the Internal Rules, 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 an EPC Member, the Chair shall provide the concerned EPC 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 EPC 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 an EPC 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 an EPC Member are final, sovereign and shall be motivated.

The aforementioned suspension and exclusion procedure shall apply mutatis mutandis to the suspension and exclusion of an Associate Member, whereby the decision to suspend or exclude an Associate Member shall be taken by the Board.

#### 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 General Assembly.

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 (3) 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 By-laws 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.

## 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 Governance Bodies, 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 activity modules, the relevant costs and the number of Members (and if applicable the number of Scheme Participants).

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 activity modules, the relevant costs and the number of Members (and if applicable the number of Scheme Participants).

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 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 By-laws. 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 By-laws. 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;
- upon proposal of the Board, transfer EPC's registered office when it implies a change of language of the present By-laws according to the legal provisions governing the use of official languages in Belgium;
- approve amendments to the present By-laws 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 EPC's registered office, 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 By-laws, 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 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. In addition, the notices shall mention if the EPC Members can participate to the meeting via electronic means of communication and can vote electronically. 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 to the Chair, the Vice-Chair, the Director General or a third party in case of a General Assembly having to adopt in the presence of a notary amendments to the present By-laws 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 By-laws. In that case, each EPC Member or the Chair, the Vice-Chair, the Director General or each third party may hold an unlimited number of proxies, provided that the General Assembly shall always be constituted of at least two (2) natural persons being 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 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 By-laws. 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 By-laws. 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 By-laws, 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. It means that the voting quorum shall be calculated as follows: (i) the total number of blank votes, invalid votes and abstentions shall be subtracted from the total number of EPC Members present or represented, and (ii) the number obtained from such subtraction shall be multiplied by two-thirds (2/3). 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, results 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 should be organised, in which the voting rights of all EPC Members from Euro countries shall count double.

Voting may take place by one of the following procedures:

- use of the General Assembly voting hardware and/or software;
- voting by a show of hands. If this shows an uncontested majority, the motion being voted is adopted; and
- voting by roll call, supervised by the Chairs of the Nominating and Governance Committee and the Audit Committee who will record each EPC Member's vote.

The written results of the 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. Dissenting opinions to Resolutions voted by the General Assembly will be reflected in the meeting minutes upon request.

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

Provided that the possibility to participate to the General Assembly via electronic means of communication has been granted by the Board and is detailed in the notice, a duly convened meeting of the General Assembly shall be validly held even if all or some of the EPC Members are not physically present or represented, but participate to the General Assembly via any electronic means of communication made available by the EPC, such as a telephone, video or web conference, that allows (i) the EPC to verify the quality and identity of the EPC Members, (ii) the EPC Members to take direct, simultaneous and uninterrupted notice of the discussions during the meeting and, if applicable, to exercise their voting rights with respect to all matters on which the General Assembly is required to decide and (iii) the EPC Members to participate to the deliberations and ask questions. The Director General shall set up the practical procedures to organise this in practice. In such a case, the EPC Members shall be deemed present at the place where the meeting of the General Assembly is held. The members of the bureau of the General Assembly (which is at least the chairperson of the General Assembly) cannot participate in the General Assembly via electronic means of communication.

Provided that this possibility has been granted by the Director General and is mentioned in the notice, the EPC Members may vote via electronic means during a meeting of the General Assembly. The Director General shall set up the practical procedures to organise the vote via electronic means, and shall ensure that the system for electronic voting used allows for (i) the verification of the



quality and identity of the EPC Members having expressed their vote and (ii) the control of compliance with the prescribed time limit.

The minutes of the General Assembly shall mention any technical problems and incidents that prevented or disrupted participation via electronic means of communication in the General Assembly or in the vote.

### **5.4.3 Upfront remote voting via electronic means**

Provided that this possibility has been granted by the Chair and is mentioned in the notice, each EPC Member may vote remotely before a meeting of the General Assembly, by means of an electronic upfront voting form attached to the notice or made available by the EPC.

The Director General shall ensure that the system for upfront remote voting via electronic means used allows for (i) the verification of the quality and identity of the EPC Members having expressed their vote and (ii) the control of compliance with the time limit mentioned in the notice.

The Director General shall set up the practical procedures to organise the upfront remote voting via electronic means.

The EPC must receive the completed and signed electronic upfront voting form within the time limit mentioned in the notice.

Any upfront remote vote via electronic means which has been validly cast before the adoption of a modified or completed agenda of the General Assembly shall remain valid for those agenda items which have not been modified or added.

Any upfront remote vote via electronic means which has been validly cast before the adoption of a modified or completed agenda of the General Assembly, shall not count for those agenda items which have been validly modified or added on the agenda of the General Assembly pursuant to Article 5.4.1 of the present By-laws. Notwithstanding the above sentence, an EPC Member may cast its upfront remote vote via electronic means with respect to any modified or additional agenda item(s) on the agenda of the General Assembly pursuant to Article 5.4.1 of the present By-laws within the time limit mentioned in the notice.

An EPC Member which has voted remotely via electronic means before the meeting of the General Assembly in accordance with the provisions of the present Article may no longer choose any other way of casting its vote(s), either during the meeting of the General Assembly or by proxy.

All EPC Members having validly voted remotely via electronic means in accordance with the provisions of the present Article shall be taken into account for the calculation of the applicable presence quorum in accordance with the present By-laws. All upfront remote votes via electronic means which have been validly sent or submitted to the EPC in accordance with the provisions of the present Article shall be taken into account for the calculation of the applicable voting majority in accordance with the present By-laws.

### **5.4.4 Unanimous voting by written/online platform procedure**

Except for the amendment of the present By-laws, the General Assembly may take decisions by a written/online platform procedure. In that case, the convening formalities referred to in Article 5.4.1 of the present By-laws do not have to be complied with. 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) for approval to all EPC Members and members of the Board, with the request to the EPC Members to vote on the proposals and to send their vote(s) back via regular mail or via other means of written communication (including e-mail) or, if provided for by the Board, by submitting their vote(s) via an online platform. 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/online platform 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 votes in favour of all the EPC Members regarding the items on the agenda are received/submitted.

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/online platform procedure shall have the same legal force as the resolutions taken at a meeting of the General Assembly.

For the purpose of the present Article, the EPC Members are not allowed to grant proxies to other EPC Members.

The Resolutions taken via written/online platform procedure are deemed to come into force on the date mentioned on the notice sent to the EPC Members and members of the Board.

Upon request, the members of the Board and the statutory auditor may receive a copy of all Resolutions taken via the procedure of written/online platform procedure.

#### 5.4.5. Election of natural persons

EPC Members shall vote by secret ballot on the election of a natural person. 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 more than half (1/2) 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 Board as provided for by Article 6.2, third to eighth paragraph of the present By-laws may be made by a vote via the written procedure. This derogation shall not apply to the Chair and Vice-Chair.

## ARTICLE 6. The Board

### 6.1 Role of the Board

The Board shall have all 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 By-laws. 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 By-laws, 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;
- granting the possibility to the EPC Members to participate to the General Assembly via electronic means of communication;
- 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;
- establishing and discontinuing Scheme Management Governance Bodies with delegated decision-making powers limited to their mandate as set by the Board, receiving reports of the Scheme Management Governance Bodies, ensuring the Scheme Management Governance Bodies remain within their delegated authorities and act at all times in the best interests of the Schemes;
- receiving reports of the Dispute Resolution Committee and ensuring the Dispute Resolution Committee remains within and acts at all times in the best interests of its mandate;
- establishing and discontinuing Working Groups, Support Groups, Multi-Stakeholder 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, Multi-Stakeholder Groups and Task Forces and Board committees;
- transferring the EPC's registered office when it does not imply a change of language of the present By-laws according to the legal provisions governing the use of official languages in Belgium; 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 six (6) 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;
- a Board member belonging to a corporate group may not belong to the same corporate group as another Board member.

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

The members of the Board are elected for a two-year (2) 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 in the General Assembly, or (iii) if the EPC Member the member of the Board represents in the General Assembly, for whatever reason, is suspended or excluded in accordance with Articles 4.4 and 4.5 of the present By-laws, or (iv) if the EPC Member the member of the Board represents in the General Assembly, 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 in the General Assembly, no longer meets the EPC membership criteria set out in Article 4.1 of the present By-laws, or (vi) if a member of the Board no longer meets the criteria for Representatives set out in Article 4.7 of the present By-laws.

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 replacement 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 (3) 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 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 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 By-laws. 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 By-laws. 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 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.

#### **6.3.5.3. Voting by written/online platform procedure**

The Board may take decisions by a written/online platform procedure. In that case, the convening formalities referred to in Article 6.3.2 of the present By-laws do not have to be complied with. 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, a notice including the proposed decision(s) for approval to all members of the Board, with the request to the members of the Board to vote on the proposed decision(s) and to send their vote(s) back via regular mail or via any other means of written communication (including e-mail) indicated in the notice. The communication shall include 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 (i) attached to, the duly completed communications returned to the Secretariat or (ii) submitted in writing/ via an online platform, by the members of the Board is sufficient to meet the quorums and voting requirements set forth in the present By-laws.

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/online platform procedure shall have the same legal force as the decisions taken at a meeting of the Board.

For the purpose of the present Article, the members of the Board are not allowed to grant proxies to other members of the Board.

The decisions of the Board regarding the admission of new Associate Members may in any case be taken by a written/online 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 (1) 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 EPC's registered office, 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- (2) 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 By-laws 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-(2) 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 By-laws 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 By-laws 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 By-laws. 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, notably by 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;
- ensuring coordination of all bodies of the EPC in order to help the EPC achieve effectively its purpose and mission; and
- 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 By-laws, 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, if appropriate, the Scheme Management Governance Bodies.

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, Multi-Stakeholder 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, to the Board, and to the Scheme Management Governance Bodies, either upon their request, or on its own initiative. The Nominating and Governance Committee shall have the powers specifically granted to it by the present By-laws. The recommendations notably concern:

- reviewing the present By-laws and the Internal Rules;
- 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, the Dispute Resolution Committee, the Working Groups, the Support Groups, the Multi-Stakeholder Groups and the Task Forces;
- reviewing the terms of reference of all Working Groups, Support Groups, Multi-Stakeholder Groups and 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 Governance Bodies;
- reviewing the composition of the Dispute Resolution Committee.

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. The Nominating and Governance Committee can delegate certain powers and tasks to the Director General and oversee this.

### **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, as far as possible, among the Representatives of the EPC Members and, if need be, amongst the Alternates of the EPC Members by the General Assembly for a two-(2) year term that may be renewed without any limitation for identical terms. The following rules shall apply to the composition of the Nominating and Governance Committee:

- Only one (1) member of the Board or member of a Scheme Management Governance Body may be a member of the Nominating and Governance Committee;
- The members of the Audit Committee, the chairs of the Working Groups, the chairs of the Support Groups, the chairs of the Multi-Stakeholder Groups, and the chairs of the Scheme Management Governance Bodies shall not be eligible to be members of the Nominating and Governance Committee; and



- If need be, the Alternate of an EPC Member may only become a member of the Nominating and Governance Committee if the Representative of the same EPC Member is not a member of the Nominating and Governance Committee.

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.

From amongst the members of the Nominating and Governance Committee, the General Assembly shall elect the chair of the Nominating and Governance Committee. However, the chair of the Nominating and Governance Committee shall neither be an Alternate of an EPC Member nor a member of the Board or a member of a Scheme Management Governance Body.

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

## **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 By-laws. 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 (3) members. The members of the Audit Committee shall be elected, as far as possible, among the Representatives of the EPC Members and, if need be, amongst the Alternates of the EPC Members by the General Assembly for a two-(2) year term that may be renewed without any limitation for identical terms. The following rules shall apply to the composition of the Audit Committee:

- Only one (1) member of the Board or member of a Scheme Management Governance Body may be member of the Audit Committee;
- The members of the Nominating and Governance Committee, the chairs of the Working Groups, the chairs of the Support Groups, the chairs of the Multi-Stakeholder Groups, and the chairs of the Scheme Management Governance Bodies shall not be eligible to be members of the Audit Committee;
- The Alternate of an EPC Member may only become a member of the Audit Committee if the Representative of the same EPC Member is not a member of the Audit Committee; and
- If, following a call for candidates, there are no sufficient candidate members for the Audit Committee so that the Audit Committee be composed of three (3) members should said candidates be elected, a natural person being an expert proposed by an EPC Member can be elected as member of the Audit Committee. However, a natural person being an expert can only become a member of the Audit Committee provided that neither the Representative nor the Alternate of the EPC Member that has proposed his/her candidature is a member of the Audit Committee.

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.

From amongst the members of the Audit Committee, the General Assembly shall elect the chair of the Audit Committee. However, the chair of the Audit Committee shall neither be an Alternate of an EPC Member nor a member of the Board or a member of a Scheme Management Governance Body nor an expert proposed by an EPC Member.

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

## ARTICLE 11. Working Groups, Support Groups, Multi-Stakeholder Groups, Task Forces and Board Committees

### 11.1 Working Groups, Support Groups and Multi-Stakeholder Groups

The Board may set up Working Groups, Support Groups and Multi-Stakeholder 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, Support Groups and Multi-Stakeholder Groups receive their mandate (including scope, deliverables, timelines, etc.) from, and report to, the Board. The Working Groups, Support Groups and Multi-Stakeholder Groups have no decision-making power. The Working Groups, Support Groups and Multi-Stakeholder Groups may only make recommendations to the Board.

Upon prior endorsement by the Board, the Scheme Management Governance Bodies may also set up Working Groups and, based on a recommendation from the Nominating and Governance Committee, determine their composition. Supported by specific terms of reference approved by the relevant Scheme Management Governance Body, these Working Groups receive their mandate (including scope, deliverables, timelines, etc.) from, and report to, that Scheme Management Governance Body.



These Working Groups have no decision-making power and may only make recommendations to the relevant Scheme Management Governance Body. The Working Groups and the Support Groups may be composed of representatives of EPC Members and Associate Members, and where relevant also of representatives of Scheme Participants as set out in the related terms of reference. 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 Multi-Stakeholder Groups may be composed of representatives of EPC Members and Associate Members, as well as of representatives of relevant stakeholders as set out in the relevant terms of reference. The composition of the Multi-Stakeholder Groups shall seek to achieve a fair and diverse representation of relevant stakeholders and types of players while taking into account the particular objectives and the mandate of each Multi-Stakeholder Group.

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

By derogation from the previous paragraph, the Working Groups set up by the Scheme Management Governance Bodies shall always act under their responsibility and report, at least twice a year and/or at the request of the relevant Scheme Management Governance Body, to that Scheme Management Governance Body 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, Support Groups and Multi-Stakeholder Groups, conduct of meetings and governance, convening modalities and drafting of agendas, quorums and voting procedures, and drafting of minutes of the Working Groups, Support Groups and Multi-Stakeholder Groups are set out in the Internal Rules.

## 11.2 Task Forces

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

## 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.

# 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 (2) functions. The first function involves the administration of the Schemes and the process of maintaining and managing the evolution of the Schemes, and the second function involves ensuring compliance with their rules, as set out in the Rulebooks.

The detailed rules for Scheme Management are set out in the relevant Scheme Management Governance Documents, as established from time to time.



## 12.2 Scheme Management Governance Bodies

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

The 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 relevant Scheme Management Governance Documents, as applicable.

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 relevant Scheme Management Governance Documents, as applicable.

## 12.3 Dispute Resolution Committee

The compliance function of the SEPA Schemes is the responsibility of the Dispute Resolution Committee, under the delegated authority granted by the Board.

The Dispute Resolution Committee mandate sets out the rules for among others the composition, the conduct of meetings and governance of the Dispute Resolution Committee, as well as the detailed rules and processes applicable to the Dispute Resolution Committee for managing Scheme administration and Scheme compliance related complaints and appeals.

## 12.4 Role of the Board in Scheme Management

The Scheme Management Governance Bodies and the Dispute Resolution Committee shall always act under the responsibility of the Board.

The Scheme Management Governance Bodies shall (i) report to the Board on their 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.

The Dispute Resolution Committee shall report to the Board on its activities and performance at least once a year and/or at the request of 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 relevant Scheme Management Governance Documents, including the geographical scope of the Schemes.

The Board shall elect the members of the Scheme Management Governance Bodies and the Dispute Resolution Committee and, in certain exceptional cases, revoke the members of the Scheme Management Governance Bodies and the Dispute Resolution Committee in accordance with the relevant Scheme Management Governance Documents and the mandate of the Dispute Resolution Committee.

## 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 By-laws, 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 stipulations of the relevant Scheme Management Governance Documents, as applicable.

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 in the Brussels Capital Region. The EPC's registered office may be transferred to any other location in Belgium by a decision of the Board, provided that said transfer will not imply a change of the language of the present By-laws according to the legal provisions governing the use of official languages in Belgium.

If the transfer of the EPC's registered office implies a change of the language of the present By-laws according to the legal provisions governing the use of the official languages in Belgium only the General Assembly, upon proposal of the Board, will be competent to decide on the transfer of the EPC's registered office according to the presence quorum and voting quorum stipulated in 5.4.2. of the present By-laws.

The Secretariat shall notify the Members in writing of any transfer of the EPC's registered office. Any transfer of the EPC's 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. By-laws and Language**

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

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



Anything that is not provided for in the present By-laws or the Internal Rules, shall be governed by the provisions of Book 10 and any other provisions applicable to international non-profit associations of the Belgian companies and associations Code of March 23, 2019.

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

## **ARTICLE 17. Amendments to the By-laws and Internal Rules/Dissolution and liquidation of the EPC**

### **17.1 Amendments to the By-laws**

The present By-laws may only be amended pursuant to a recommendation of the Nominating and Governance Committee. Any proposal of amendment of the By-laws must be sent to the EPC Members by the Secretariat, via regular mail or via any other means of written communication (including e-mail), at least two (2) weeks before the date of the General Assembly meeting having to decide on the proposal of amendment.

Any amendment to the By-laws 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. It means that the voting quorum shall be calculated as follows: blank votes, invalid votes and abstentions shall not be subtracted from the total number of EPC Members present or represented. The number of affirmative votes must represent three-quarters (3/4) of the EPC Members present or represented in the General Assembly.

When the law requires it, the amendments to the present By-laws 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 By-laws shall enter into force shall be determined in the Resolution of the General Assembly regarding the amendments to the present By-laws. Any decision of the General Assembly relating to the amendments of the By-laws is subject to the additional requirements imposed by applicable law.

### **17.2 Amendments to the Internal Rules**

The Internal Rules can be amended or revoked by the General Assembly, upon recommendation of the Nominating and Governance Committee or the Director General. Any decisions of the General Assembly regarding the amendment or revocation of the Internal Rules require that at least two thirds (2/3) of the EPC Members are present or represented (quorum of participants) and the approval of a qualified majority of three quarters (3/4) of the voting rights of the EPC Members present or duly represented in the General Assembly (voting quorum). Blank votes, invalid votes and abstentions shall count as negative votes. It means that the voting quorum shall be calculated as follows: blank votes, invalid votes and abstentions shall not be subtracted from the total number of EPC Members present or represented. The number of affirmative votes must represent three-quarters (3/4) of the EPC Members present or represented in the General Assembly.

On the date of the last amendments to the present By-laws, the last version of the Internal Rules has been adopted on June 15, 2021.



### 17.3 Dissolution and liquidation of the EPC

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. It means that the voting quorum shall be calculated as follows: blank votes, invalid votes and abstentions shall not be subtracted from the total number of EPC Members present or represented. The number of affirmative votes must represent three-quarters (3/4) of the EPC Members present or represented in the General Assembly. 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 By-laws 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. Conciliation

If conciliation 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 (3) members from the Board. The three (3) 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 handling of complaints arising between Scheme Participants or against decisions taken by the EPC shall be carried out in accordance with the Dispute Resolution Committee mandate.

## ARTICLE 20. Governing Law and Jurisdiction

The present By-laws 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 By-laws, Brussels Courts shall ultimately have exclusive jurisdiction to settle any such disputes.

## ARTICLE 21. Definitions

In the present By-laws, unless the context otherwise requires:

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



**Associate Member:** means any legal entity which in accordance with Article 4.2 of the present By-laws 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 By-laws responsible for the powers and tasks provided for under Article 6.1 of the present By-laws.

**Board Committee:** is a small group composed of members of the Board established, generally for a limited period of time, and for a specific scope, and reporting to the Board, to investigate and formulate recommendations to the Board.

**By-laws:** means the present By-laws, as amended from time to time.

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

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

**Dispute Resolution Committee:** means the body responsible for the compliance function of the SEPA Schemes, under the delegated authority granted by the Board.

**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 By-laws has been admitted as, and has not ceased to be, an EPC Member (the term “EPC Membership” shall be construed accordingly).

**European PSP Sector Association:** means an EPC Member, directly or indirectly having as members PSPs originating from multiple EU countries (and being open to members from across the whole EU, without any stricter geographical limitation), and having the statutory purpose to represent these PSPs at EU level on EU policy matters.

**General Assembly:** means the body encompassing all EPC Members.

**Internal Rules:** such rules as adopted, approved, modified and/or revoked by the General Assembly to complement the present By-laws.

**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.

**Multi-Stakeholder Group:** is a body composed of representatives of relevant Stakeholders, representatives of Members, and/or representatives of Scheme Participants generally established by and reporting to the Board to investigate a specific range of issues and formulate recommendations to be submitted to the Board and/or to one or more Scheme Management Governance Bodies.

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



**Nominating and Governance Committee:** (abbreviated: NGC) means the body providing recommendations to the General Assembly, to the Board and to the Scheme Management Governance Bodies on nomination and governance matters.

**Payment Service Provider (abbreviated: PSP):** means any body referred to in Article 1(1) of the Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC, hereafter “PSD2”, as well as legal persons benefiting from an exemption under Article 32 or 33 PSD2.

**Representative:** is the natural person nominated by an EPC Member to represent it at the General Assembly.

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

**Rulebooks:** means the SEPA Credit Transfer Scheme Rulebook, the SEPA Instant Credit Transfer Scheme Rulebook, the SEPA Direct Debit Scheme Rulebooks, the SEPA Proxy Look-up Scheme Rulebook, the SEPA Request-to-Pay Scheme Rulebook, and such other Rulebooks as are produced by the EPC from time to time.

**Scheme:** the SEPA Credit Transfer Scheme, or the SEPA Instant Credit Transfer Scheme or the SEPA Direct Debit Core Scheme, or the SEPA Direct Debit Business-to-Business Scheme, or the SEPA Proxy Look-up Scheme, or the SEPA Request-to-Pay Scheme, or any other payment or payment-related schemes as the EPC may establish from time to time.

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

**Scheme Management Governance Bodies:** the EPC decision making bodies in relation to Scheme Management as the Board may establish from time to time.

**Scheme Management Governance Documents:** the Scheme Management Governance Documents are separate documents setting out the rules that govern the Scheme Management related to a Scheme, notably rules for the administration, the development and evolution functions of SEPA Scheme Management.

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

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

**Single Euro Payments Area (abbreviated: SEPA):** for the purpose of the present By-laws, 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 include amongst others: governments, authorities and regulators, the payments industry and their suppliers, corporates, small and medium-sized enterprises (SMEs), 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 a Scheme Management Governance Body, generally for a limited period of time, and for a specific scope, and reporting to a Working Group or the Board or the relevant Scheme Management Governance Body, to investigate and formulate recommendations to the Working Group or to the Board or to the relevant Scheme Management Governance Body.

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



**Working Group:** is a body established by and reporting to the Board or a Scheme Management Governance Body to investigate a specific range of issues and formulate recommendations to be submitted to the Board or to the relevant Scheme Management Governance Body.