

## RULES OF INTERNAL PROCEDURES

The Rules of Internal Procedures regulate the management of the association EPIF.

### ***1. Rights and Obligations of Members***

Members of the Association:

- a) shall be entitled to participate in the General Meetings and any other meeting or event that the Association may wish to organise for its Members;
- b) shall actively participate in the governance structure and the activities of the Association (e.g. contribute to briefs and/or provide speakers for events as appropriate);
- c) shall be kept informed in a timely manner of relevant EU deliberations and decision-making and be able to comment on, and to provide input to, regulatory proposals or discussions via an impartial mechanism;.
- d) shall be able to nominate candidates to represent the Association in relevant EU bodies and fora;
- e) shall pay any membership dues set by the Executive Board.

The membership benefits and associated fees can be found in Annex 1.

### ***2. E-attendance to General Assembly or Executive Board meetings***

2.1 A Member may attend a General Assembly or as a Board member the Executive Board meetings by telephone or any other electronic or telephonic means acceptable to the Executive Board if they are unable to physically attend the meeting. The Member must give the Executive Board notice if they are unable to attend a General Assembly or as Board member an Executive Board meeting in person.

2.2 If a quorum for any particular General Assembly or Executive Board meeting is needed the Chair of the Executive Board may allow one or more Members or members of the Board respectively to attend electronically or by phone.

### **3. Executive Board**

3.1 The Executive Board shall exercise its functions by such means and at such times and places as it deems fit but it:

- a) shall report regularly to the General Meeting;
- b) shall be responsible for managing the business of the Association including arranging Secretariat support, securing appropriate funding, and determining all matters relating to the operation of the Platform;
- c) may appoint such working groups, consultants and other participants to contribute to the Association's work as it deems fit;
- d) shall rule on applications for membership to the Association and after having evaluated the information provided by the candidate organization pursuant to Article 6.

3.2 Together with the notice of and agenda for the General Meeting, the Chair of the Executive Board shall send to each Member a notice of any vacancies on the Executive Board and request nominations for candidates. Particulars of each candidate shall be circulated to Members before the General Meeting.

3.3 The Executive Board shall annually review the functioning of the Association and as part of the annual General Meeting make suggestions on the possible evolution of the Association's governance structure, including voting rights, and role. This is to take into account a potential growing number of Members, the evolution of the annual budget and observations on the effectiveness with which the Association fulfils its defined objectives.

#### **Sherpa:**

3.4 Sherpa of Executive Board Members can attend, in their absence or not, the Executive Board Meeting in a non-voting capacity. The attendance of the Sherpa does not count for the quorum pursuant to Article 15.

To be considered a Sherpa: a representative of the same company of the Executive Board Member.

#### **Application as Member of the Board and Chair, Vice Chair and Treasurer**

3.5 The procedure to apply as a Member of the Board, provided that the conditions set by Article 11 are met, is the following:

1. The candidate must send his letter of application and CV to the Chairman of the Executive Board
2. His letter of application and CV will be circulated amongst all members of EPIF
3. Pursuant to Article 21.4, the candidate will be appointed by the General Meeting by majority of the votes (Article 26).

The procedure to apply as Chairman, Vice Chair and Treasurer positions (Article 13) is the following:

1. The candidate must send his letter of application and CV to the Chairman of the Executive Board
2. His letter of application and CV will be circulated amongst Executive Board Members
3. Pursuant to Article 13, the candidate will be elected by the Executive Board by majority of the votes (Article 15).

***4. Regarding the representation of the Association in EU bodies, fora, advisory group or other platforms, including though by no means exclusively in the European Payments Council and the Euro Retail Payments Board (referred hereafter as "EU and/or related bodies").***

4.1 Approval of candidates to represent the Association in EU and/or related bodies and duration of representation.

4.1.1 The General Meeting shall elect the representatives of the PI sector to the respective EU and/or related bodies to which the Association has been invited to designate representatives. This also includes European Payment Council (EPC) bodies (Plenary, Coordination Committee, Working Groups, Task Force and any other relevant body) as well as the Euro Retail Payments Board (ERP) (Board Meetings and Working Groups) (hereafter jointly often referred to as "EU and/or related bodies").

4.1.2 For this purpose, in a separate communication or together with the notice of and agenda for the General Meeting, the Chair of the Executive Board shall send to each Member a notice of any upcoming or available vacancies in EU and/or related bodies and request nominations from Members for candidates, who must be nominated separately and seconded by a Member.

4.1.3 Candidates need to meet the requirements set out by the respective EU and/or related bodies. Particulars of each candidate shall be circulated to Members before the General Meeting.

4.1.4 Full Members have the first right of refusal to represent the Association at an EU and/or related bodies. If an Associate member is a candidate to represent the Association at an EU and/or related bodies, the Board will decide on a case to case basis and under certain criteria's which are: the resources required for supporting the Working Group, the importance of the Working Group for the Association, the quality of the candidate for the Association, the ability to contribute to any

expenses from the member, the commitment to provide feedback to all members, active engagement in the Association and any other criteria the Board can see fit.

4.1.5 Before approval by the General Meeting, the Executive Board shall prepare its views on the nominations and make non binding recommendations to the General Meeting as to whether the nominations best reflect the diversity and expertise of the PI industry in the respective EU and/or related bodies; as well as ensuring in as far as possible a fair and non-discriminatory representation of the PI industry in these EU and/or related bodies overall.

4.1.6 In preparing its recommendations the Executive Board shall take account of the overall representation of the Association in the EU and/or related bodies between Full Membership, Associate Membership and Corporate Membership. No less than 50% of all representatives in EU and/or related bodies should ideally be fielded by Full Members.

4.1.7 Voting in the General Meeting shall be in accordance with Article 25 of the Statutes of the Association for no more than one candidate for each vacancy. Elected members shall be communicated by the Executive Board to the relevant EU and/or related bodies following the election.

4.1.8 Individual representatives of the Association in EU and/or related bodies shall be elected for a renewable term of no more than 3 years or as set out by the rules of the respective EU and/or related bodies.

4.2 The Executive Board will monitor that the representatives appointed by the General Meeting undertake to comply with the terms of the Rules of Internal Procedures.

4.3 Role of the Association's Representatives in the EU and/or related bodies

The representatives of the Association in the EU and/or related bodies commit to the following:

- a) Act as an active participant for the Association;
- b) Provide dedicated time commitment to ensure the objectives of the Association are met;
- c) Keep Members informed in a timely manner of any relevant deliberations and decision-making in the respective EU and/or related bodies and express positions of the Association without demonstrating bias in favour of its own particular positions;
- d) Report back on their activities at the General Meeting.

4.4. Rights and Commitments by the Members

Members commit to the following:

a) Recognizing that the Association's representatives are committing a significant amount of their time and resources to the representative role and that Members therefore endeavor to contribute constructively to the effective sharing of legally permitted information and submission of any comments, views and recommendations to be used by the Association's representatives in the relevant meetings of the EU and/or related bodies. Especially:

i) Providing input and feedback to the Association's representatives in a timely fashion and fully consistent with the working practices of the respective EU and/or related bodies; and

ii) Ensuring this feedback is provided in a meaningful way so that the Association's representatives can effectively express the respective views of the sector.

b) The Members accept that the Association's representatives cannot be bound to a particular position or held responsible or liable for a decision taken by the respective EU and/or related bodies or the outcome of these discussions.

c) Equally, the Association's representatives accept that they cannot legally bind Members of the Association by decisions taken in the respective EU and/or related bodies.

d) The Association will put in place robust working practices and reporting routines between the Association's representatives and its Membership.

#### 4.5. Sharing of fees and costs related to the Association's representation

4.5.1 Members agree that financial and/or material contribution to cover any membership fees to ensure the fair and proportionate representation of this diverse industry in the respective EU and/or related bodies as provided by this Association will have to be agreed at the General Meeting.

4.5.2 All other costs associated with a representative function (such as travel) are covered by the respective representative.

### **5. Budget and Accounts**

5.1 The annual accounts of the Association are denominated in euro and must be audited by an external auditor, appointed by the General Meeting.

5.2 Under the supervision of the Executive Board, the Treasury is responsible for maintaining correct accounts.

### **6. Observers**

6.1. As per Art. 6 of the Articles of the Association, "The association may grant observer status to third parties who are not eligible for membership if it believes this will contribute to furthering the objects of the association".

6.2. Applicants for such a status must apply in writing to the Executive Board. The latter will determine the duration for this status.

6.3. A company or body granted Observer Status shall enjoy all the rights of a Member of the Association, in particular participation in all committee meetings and the General Meeting, with the exception of the following:

- Observers have no voting rights in the General Meeting (Art. 24 of the Articles of the Association)
- Observers cannot be eligible as members of the Executive Board nor can they hold positions under the governance structure of EPIF (Chair, Vice Chair etc); Art 10 and Art 12 of the Articles of the Association;
- Observers are not eligible to represent EPIF in external fora and platforms;
- The Executive Board or Chair of a relevant Committee might decide to enforce particular rules of confidentiality for Observers if required by external bodies, such as the EPC, ERPB, European Commission or others.

6.4. The General Meeting will determine an annual membership fee for Observers (Art. 20 of the Articles of the Association).

### **7. Associate members**

EPIF associate members are allowed to bring up to 3 members of their association to EPIF meetings (i.e. General meetings and Technical/Public Affairs Committees).

Unless the Chair or Vice Chairs of the Executive Board of EPIF determine otherwise, information shared and provided during the above meetings and the Executive Board meetings can be shared amongst the full membership of the associate members.

The Executive Board shall decide on the level of the annual membership fee for the Associate membership category, based on the criteria of the number of members the Association holds.

### **7. Corporate members**

The Corporate Membership is differentiated into two categories :

- a) EPIF Premium Corporate members
- b) EPIF Core Corporate members

The Corporate Membership differentiation is determined in Annex 1.

The level of services to each corporate category is determined by the Executive Board, as well as the level of annual membership fees.

Any further differentiation of the service level between the two categories of the Corporate membership, will be decided and approved initially by the Executive Board and then by the wider membership.

#### **8. Use of EPIF's Information and Material by its Member**

From time to time certain documents of a confidential nature may be circulated to EPIF Members. In such instances, EPIF Members are to respect the confidentiality assigned to these documents.

EPIF Members are to respect the restricted circulation of EPIF draft position papers and working documents.

Neither EPIF Members nor their representatives are to distribute to other third parties or for commercial gain materials made available to EPIF Members.

The Board can take any appropriate action in response to a breach of this rule by an EPIF Member or the representative of an EPIF Member. This action can include suspending the EPIF Member in question from receiving the daily update or terminating the membership of that Member from EPIF.

#### **10. Working Language**

Without the prejudice to applicable laws, the working language within the Association is English.

#### **11. Procedures for the Adoption of common positions**

- 1) The designated author (member(s), Secretariat) is responsible for the first draft of a common position (position paper, issue brief or any other document for external or internal use by EPIF).
- 2) The first draft is to be circulated among the appropriate EPIF body (Committee or Executive Board - depending on the subject matter. The ultimate decision of competence rests with the Executive Board). Comments by members on the first draft should be submitted within 5 working days to the originator of the circulation unless another deadline has been specifically determined.
- 3) Where no comments are made, proceed to step 8.
- 4) The designated author(s) are to incorporate comments submitted into a second draft of the position paper.
- 5) The second draft is to be circulated among the appropriate EPIF body (Committee or Executive Board - depending on the subject matter. The ultimate decision of competence rests with the Executive Board). Comments by members on the second draft should be

submitted within 5 working days to the originator of the circulation unless another deadline has been specifically determined.

- 6) Where no comments are made, proceed to step 8.
- 7) The designated author(s) are to incorporate comments submitted into a second draft of the position paper. This becomes the final draft.
- 8) The third draft is circulated amongst all EPIF members. Comments must be submitted within 5 working days to the originator of the circulation.
- 9) The designated author(s) are to incorporate comments submitted into a third draft of the position paper. This becomes the final draft.
- 10) The final draft is to be submitted to the Executive Board for approval.
- 11) Upon approval, the EPIF position paper can be disseminated broadly by EPIF and its members.

#### Fast lane procedure documents

Upon approval by the Chair of the Executive Board, positions can be adopted under the fast lane procedure and decide to set shorter internal deadlines in order to meet external deadlines. The minimum deadline for comments shall be 1 working day for comments at each of the above three comment stages.

#### Explanatory Memorandum

Working day: The term working day refers to the term working day as defined under Belgian law. Only Belgian public holidays shall extend deadlines by an equal amount of days. No foreign public holidays will be taken into consideration.

**Annex 1: Membership Benefits and Associated Fees**

	Full	Association	Premium Corporate	Core Corporate
- Entitled to automatic seat on the board NB 1 seat for Associate Members and 1 seat for Corporate Members	✓			
- 10 plenary votes	✓			
- Attendance at all committee meetings	✓	✓	✓	✓
- 2 plenary votes		✓		
- 1 plenary vote			✓	✓
- Attendance at AGM	✓	✓	✓	✓
- Priority/right of first refusal to represent EPIF externally	✓		✓ (where appropriate)	
- EPIF representation to the ERPB Board and Working Group	✓	✓		
- Attend regulatory outreach by EPIF with policy makers	✓	✓	✓	
- Provision of timely regulatory updates	✓			
- Receive summary updates on EU regulatory matters	✓	✓	✓	✓

- Act as rapporteur on a particular file (right of first refusal for Full Members)	✓	✓	✓	
- Receive all documentation from EPC meetings	✓	✓	✓	✓
- Receive all documentation from the ERPB meetings	✓	✓	✓	✓
- Feedback on other meetings that EPIF is represented at	✓	✓	✓	✓
- Suggest areas of activities for EPIF	✓	✓	✓	✓
- Exclusive activities (Senior Executive dinner)	✓			
- Visibility on the EPIF Website	✓	✓	✓	✓
- Publication of own relevant material on EPIF website	✓	✓	✓	
- EPIF secretariat to attend one corporate event of member per year	✓			
- Dedicated section of EPIF website	✓			
- Review all expenditure and sign off plans	✓			
- Access to Secretariat via Board	✓	✓	✓	✓