

**BYLAWS OF THE  
U.S. FASTER PAYMENTS COUNCIL, INC.**

A Nonstock Corporation

**ARTICLE I  
NAME AND PURPOSE**

1. Name. The name of the organization is the U.S. Faster Payments Council, Inc. (“FPC” or the “Corporation”), a nonstock, nonprofit corporation organized under the laws of the State of Delaware.
2. Location. The principal office of the Corporation shall be within or without the State of Delaware, as determined by the Board of Directors.
3. Purpose. The purposes for which the Corporation is organized and operated are as stated in the Corporation’s Certificate of Incorporation.

**ARTICLE II  
MEMBERSHIP**

1. Members. The Corporation shall have seven (7) segments of membership: Consumer Organizations, Business End-Users, Financial Institutions, Payment Network Operators, Technology Providers, Associates, and Others. Membership includes the right to access work products and participate on committees and work groups. Except for Associates, members also have the right to vote for Board members and to seek a seat on the Board, and to vote on FPC recommendations. All members must be eligible for the applicable membership segment and in compliance with the policies, procedures, and these Bylaws of the Corporation as determined by the Board.
2. Consumer Organizations. Organizations that represent natural persons for the purposes of making and/or receiving payments for personal, family or household use and not for the purposes of commercial/business use.
3. Business End-Users. Organizations that make or receive payments for commercial/business use or entities that represent those organizations.
4. Financial Institutions. State or federally chartered banks, credit unions and brokerage firms or organizations that represent financial institutions that provide payment services to end users and clear and settle payments on their behalf.

5. Payment Network Operators. Entities that operate a payment network infrastructure or organizations that represent such payment networks.
6. Technology Providers. Entities (other than payment network operators and financial institutions) that process payments, facilitate use of payment networks and/or provide payments-enabling services to any other unaffiliated stakeholders, including end users; this segment would also include organizations that represent technology providers.
7. Associates. Single person businesses and individuals, such as academics, with a professional or business interest in payments issues who, if employed, are not in any way representing, reimbursed by, or funded by their employer organization. Associates may participate on committees and work groups and have access to work products, but may not vote on membership decisions or serve on the Board.
8. Others. Representatives from business and industry organizations with an interest in payments issues, such as associations, rules and standards organizations, and consultancies.
9. Liaisons. The FPC may choose to engage entities, such as public sector organizations, regulators, policymakers, or other entities that the Board determines will bring important viewpoints and insight to participate in a non-voting liaison role. These liaisons may participate on committees and work groups and have access to work products, but are not members of the Corporation and do not pay dues, vote, or hold office in the Corporation.
10. Designated Representative. Each member that is not an individual shall designate one individual representative for voting and other purposes relevant to the Corporation.
11. Meetings. There shall be an annual meeting of the Corporation at such time and place as the Board of Directors may designate for the purpose of transacting such business as may come before the meeting. Notice of such meeting shall be sent to each member at least thirty (30) days before the time appointed for the meeting. Special meetings of the members may be called by the Board of Directors upon notice provided at least thirty (30) days in advance. Notice of annual or special meetings may be waived by members in writing before such meetings, or by attendance at such meetings in person or by proxy.
12. Voting. Each membership segment with voting rights shall vote to fill its own segment's Board positions, as specified under Article III, Section 5. Each membership segment with voting rights also shall have the right to vote on other matters as may be expressly provided by the Board of Directors or in these Bylaws. In addition to voting in-person, voting may be conducted by mail ballot or by electronic means, in accordance with

applicable law.

Except as otherwise provided, to carry any action by the members, a majority of members must vote, and the approval of at least two-thirds of voting members is required. No more than two populated segments may object (a segment vote requires a simple majority) unless fewer than five segments are populated, in which case no more than one segment may object:

<b>Populated segments</b>	<b>3 segments</b>	<b>4 segments</b>	<b>5 segments</b>	<b>6 segments</b>
<b>Segments needed to approve</b>	<b>2 to approve</b>	<b>3 to approve</b>	<b>3 to approve</b>	<b>4 to approve</b>

13. Resignation. A member may resign from the Corporation upon giving written notice to the Board of Directors. Such resignation shall not relieve the member of its obligation to pay that portion of annual dues owed to the Corporation, as provided in Article VII.
14. Termination of Membership. Any member that is delinquent in the payment of any membership dues for more than three months or in the discharge of any other obligation incurred by it as a member of the Corporation may be terminated from the Corporation. Any member may be terminated from the Corporation with cause (including but not limited to dues nonpayment, violation of the Bylaws, membership agreement, or other policies or procedures of the Corporation, or unethical or illegal conduct) by the vote of three-quarters of all seated directors taken at any meeting, provided that the member is given advance written notice including the reason for the proposed expulsion, the opportunity to contest the proposed expulsion in writing before the Board of Directors, and final written notice of the Board's decision. Such resignation or expulsion shall not relieve the member of its obligation to pay that portion of annual dues owed to the Corporation, as provided in Article VII.

**ARTICLE III  
BOARD OF DIRECTORS**

1. Board of Directors. There shall be a maximum of twenty one (21) voting members of the Board of Directors made up of up to three (3) members from each of the six (6) voting segments. In addition, three (3) at-large seats on the Board of Directors will be allocated to the three (3) segments with the largest number of members, but no membership segment may have more than four (4) Board seats. In the event that two or more membership segments have the same number of members, the segment with the longest average duration of membership for its respective members shall be granted the at-large

seat on the Board. The Board may invite, as needed, entities such as public sector organizations, regulators, policymakers, or other entities that the Board determines will bring important view points and insight to participate in a non-voting liaison role. These liaisons may participate on committees and work groups and have access to work products, but may not serve on the board or vote on general membership matters; they will also not pay dues.

2. Duties. The Board shall, among other things, be responsible for: determining the best way to ensure that under-represented segments' perspectives are considered; developing and implementing processes to vet prospective members and review segment self-selection concerns; and assessing segment level support for membership votes. In addition, issues that will likely have a direct impact on members are subject to Board review to ensure that the process for developing the recommendation is inclusive of all affected members, fair, and broadly supported.
3. Authority. The Board shall be the governing body of the Corporation and, except as otherwise provided by applicable law, the Certificate of Incorporation, or these Bylaws, shall be vested with all the powers necessary for the management and administration of the affairs of the Corporation and the promotion of the Corporation's purposes.
4. Prohibitions. Under no circumstances shall the Board or any officer, employee, or member of the Corporation have the power to:
  - (i) Make any donation or contribution from the funds of the Corporation or commit the Corporation for the payment of any donations or contributions for political purposes or use the name or the facilities of the Corporation in aid of any political party or candidate for any public office.
  - (ii) No member of the Corporation, officer, employee, or member of the Board or any committee shall have any power to incur or contract any liability on behalf of the Corporation not authorized by the Board, except that the Board may delegate to the Executive Director of the Corporation or the Executive Director delegates such authority as he or she deems necessary to contract on behalf of the Corporation in the Corporation's best interests.
5. Election. Each membership segment shall vote to fill its own segment's Board positions. The candidate(s) receiving a plurality of the votes cast by mail ballot or otherwise shall be elected. The Board of Directors shall develop procedures to implement the nomination and election provisions of these Bylaws.

6. Term. Directors shall serve staggered three (3) year terms. Except for directors appointed to fill vacancies, no director may serve more than six (6) consecutive years. A director who serves six (6) consecutive years shall not be eligible to serve again for two (2) years. Notwithstanding the above, the Board may make exceptions to this limitation depending on the availability of candidates.
7. Voting. The presence of a majority of all seated directors constitutes a quorum of the Board. A majority of votes of seated directors present carries any action related to administrative matters.

All other matters require either (a) in the case of an in-person or phone meeting, a three-quarters vote of all seated directors; or (b) in the case of a vote in writing (including e-mail), a unanimous vote of all seated directors.

Directors may not vote by proxy.

8. Removal. A director may be removed for adequate cause by a three-quarters vote of the membership segment that elected such director.
9. Vacancies. A vacancy on the Board of Directors shall be deemed to exist in the case of the death, removal, or resignation of a director, or if a director ceases to be qualified to serve as a member of the Board. The membership segment represented by the director whose seat was vacated shall, as soon as reasonably practicable, vote to fill the vacancy with a new member of that segment for the unexpired portion of the term of the director whose place becomes vacant, or until his or her successor shall have been duly elected and qualified.
10. Action without Meeting. Any action that is required to be taken, or that may be taken, at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the directors. Such consent in writing shall have the same force and effect as a unanimous vote of the Board and shall be filed with the corporate records with the minutes of the Board of Directors meetings.
11. Meeting by Conference Phone. Members of the Board of Directors may participate in a meeting of the Board or a Board committee by means of conference telephone or similar communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting under this Section shall constitute presence in person at a meeting.

12. Fees and Compensation. Directors shall receive no compensation for their services as directors. Each director will be responsible for their own expenses, unless otherwise specified in accordance with policies approved by the Board.

#### **ARTICLE IV OFFICERS AND LEADERSHIP STAFF**

1. Officers. The Officers of the Corporation are the Chair, Vice-Chair, and the Secretary/Treasurer. The Chair, Vice-Chair, and Secretary/Treasurer shall be employees of a member of a participating membership segment. Subject to the term limits for members of the Board of Directors prescribed in Article III, the Chair, Vice-Chair, and Secretary /Treasurer are limited to two (2) 3-year terms.
2. Election. The Board shall elect the Chair, Vice-Chair and Secretary/Treasurer of the Corporation from a slate of Board member candidates submitted by the Nominating Committee after the members elect the directors of the Corporation, in accordance with the provisions of Article III, Section 5 of these Bylaws.
3. Duties. The officers perform those duties that are usual to their positions and that are assigned to them by the Board of Directors. In addition, the Chair, as the chief elected officer of the Corporation, presides at meetings of the Board and the Executive Committee, and is a non-voting ex-officio member of all committees, except the Nominating Committee. The Vice-Chair acts in the place of the Chair whenever the Chair is not available. The Secretary/Treasurer is the recording officer of the Corporation responsible for minutes, records, notices, and the like, and is the financial officer with responsibility for the oversight of revenues and expenditures, and reporting on the financial affairs of the Corporation to the Board and Executive Committee.
4. Executive Director. The Corporation shall engage a qualified individual to serve in the position of Executive Director and whose terms and conditions of engagement shall be as specified by the Executive Committee. The Executive Director shall be the chief executive officer of the Corporation responsible for the administration of the Corporation, subject to the direction of the Board. The Executive Director shall manage and direct all activities of the Corporation as prescribed by the Board of Directors and the Executive Committee. The Executive Director shall enter into contracts on behalf of the Corporation, employ and terminate the employment of members of the staff and fix their compensation within the Board-approved budget, and supervise their performance as shall be, in the Executive Director's judgement, in the best interest of the Corporation to support the purpose of the Corporation and consistent with any approvals/direction

provided by the Board. The Executive Director will attend Board meetings as a non-voting participant at the Board's discretion.

5. Financial Statements. As soon as possible after the end of the fiscal year, the Secretary/Treasurer shall provide a set of audited financial statements (Balance Sheet, Income Statement, and Statement of Cash Flows) to the Board.
6. Vacancies. The Board of Directors may fill any vacancies among the officers. Each officer so elected shall hold office for the unexpired portion of the term of the officer whose place becomes vacant, or until his or her successor shall have been duly elected and qualified.
7. Removal. An elected officer may be removed with cause by a three quarters vote of all seated directors at a meeting at which a quorum is present, provided that the officer is given advance written notice including the reason for the proposed expulsion, opportunity to contest the proposed expulsion in writing, and final written notice of the Board's decision.

## **ARTICLE V COMMITTEES**

1. Executive Committee. The Executive Committee shall be responsible for the management of the Corporation when the Board is not in session, consistent with any policies established by the Board. The Executive Committee shall consist of the Chair, the Vice-Chair, the Secretary/Treasurer, the committee chairs, and up to three other Board members. The Executive Committee shall be chaired by the Chair of the Corporation. The Executive Director shall serve as an ex officio non-voting member of the Executive Committee.
2. Finance and Audit Committee. The Finance and Audit Committee shall be responsible for the overall financial affairs of the Corporation. The Finance and Audit Committee will assist the financial officer with oversight or revenues, expenditures, reporting and planning. The Secretary/Treasurer will chair the Finance and Audit Committee. The Finance and Audit Committee will have four additional Board members. No more than two members from any one membership segment may serve on the Finance and Audit Committee at one time.
3. Nominating Committee. Each year the Chair of the Corporation shall appoint a director to chair the Nominating Committee, subject to the Board's approval. The chair of the Nominating Committee shall elect up to six (6) members to serve on the Nominating

Committee, subject to Board approval. At least one (1) representative from each membership segment with voting rights shall be selected to serve on the Nominating Committee. No more than four (4) Nominating Committee members shall be sitting directors. The Nominating Committee nominates the officers and at-large directors and provides advice on the general slate of nominees.

4. Network Committee. The Network Committee will create a forum for discussing interoperability and for considering initiatives that address interoperability. All members of the Payment Network Operators segment are eligible to serve. Any initiative developed by the Network Committee must be approved by a three-quarters supermajority of the membership before such initiative is implemented.
5. Operations Committee. The Operations Committee will develop quality tools and guidelines according to Article VI. The Operations Committee will have at least one member from each membership segment and will be chaired by the Vice-Chair.
6. Other Committees. The Board of Directors may establish other committees as it deems necessary from time to time.
7. Composition of Committees. The Board of the Corporation shall appoint a director to chair each committee so established, and the chair of each committee shall select the remaining members of the committee, subject to this Article V and the Board's approval. Unless otherwise required by the Board, committee members other than the chair need not be directors of the Corporation. The Board shall ensure that committee representation is inclusive of and transparent to the membership.

## **ARTICLE VI TOOLS AND GUIDELINES**

1. Faster Payments Council Tools and Guidelines. At the direction of the Board of Directors, the Corporation shall develop and approve FPC Tools and Guidelines for use by FPC members. FPC Tools and Guidelines amendments shall be developed and presented for vote in accordance with procedures established by the Board, but such votes are not considered to be member votes within the meaning of the applicable law.
2. Voting. A member vote in accordance with Article II, Section 12 shall be required to approve an amendment to the FPC Tools and Guidelines.

## **ARTICLE VII MEMBERSHIP DUES**

1. Dues. At the time of becoming a member of the Corporation, each member shall pay to the Corporation an initial membership fee as determined by the Board. Each segment of membership shall pay annual dues in accordance with a schedule to be determined by the Board of Directors. No member shall be required to pay fees other than annual dues but the Board of Directors may request that members pay an assessment to support special projects or unexpected expenses that arise during a fiscal year.
2. The Corporation shall prepare an estimate of the funds necessary to defray reasonable expenses of administration in carrying on the work of the Corporation each fiscal year and by such estimate, shall fix the amount of admission fees and annual dues to be paid by the members.

**ARTICLE VIII  
MISCELLANEOUS**

1. Amendments. Amendments to these Bylaws may be approved at any duly called meeting of the Board of Directors by a three quarters vote of all seated directors; provided, however, the members shall have the power by petition to override any amendment to these Bylaws approved by the Board by a vote of three quarters of all members.
2. Indemnification. Directors, officers, and other authorized employees, volunteers, or agents of the Corporation shall be indemnified by the Corporation against claims for liability arising in connection with their positions or activities on behalf of the Corporation to the fullest extent permitted by law, except in relation to matters as to which he or she shall be adjudged in such action, suit or proceeding to be liable for gross negligence or intentional misconduct in the performance or omission of a duty.
3. Fiscal Year. The fiscal year for the Corporation is the calendar year.
4. Liability of the Corporation. The Corporation shall have no liability to any member by reason of any act or omission of the Corporation.