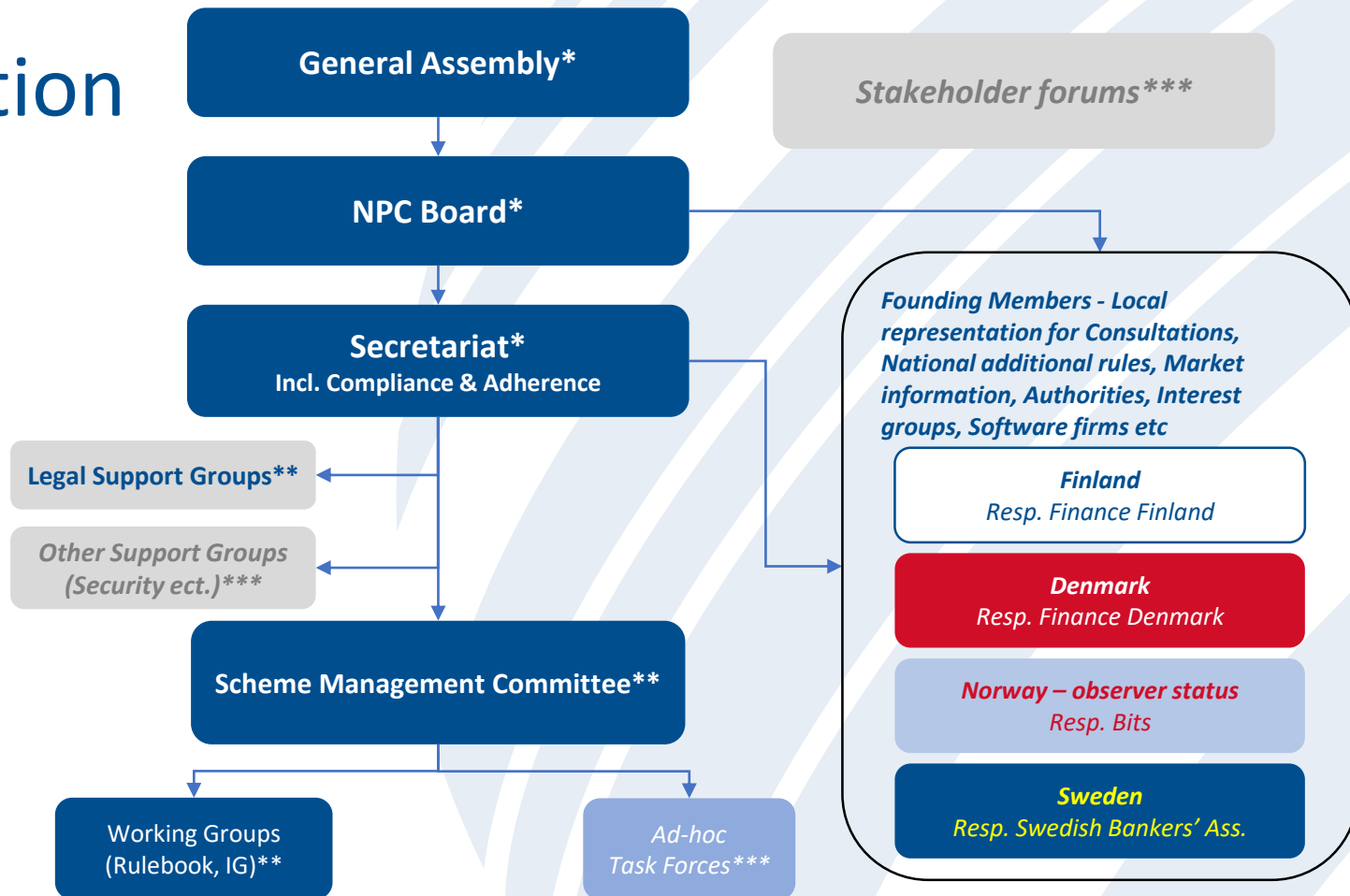


Nordic Payments Council

Internal Rules



Organisation



*Founded Dec 18, 2018

**Under formation

***To be decided

NPC Schemes

- The NPC Schemes are:
 - NPC Credit Transfer Scheme
 - NPC Instant Credit Transfer Scheme

Estimated Membership fees based on transactions

– steady state approx. 2023, interim period until steady achieved

	Yearly (€)
Estimated NPC Budget (€) ¹	600 000
Estimated No. Transactions CT and CT Inst DKK and SEK ²	2 000 000 000
Membership Fee EUR/ trx	0,00030
<i>Membership Fee SEK/trx</i>	<i>0,0031</i>
<i>Membership Fee DKK/trx</i>	<i>0,0022</i>

¹ Pending yearly decision on NPC Work plan

² Estimated sent CT and CT Inst transactions based on current transactions in DKK (Intradag, Straks and Dokumentløs Clearing) and SEK (DCL, Bankgiro and BiR)

Membership Fees interim

2019-2020

- 6 P27-banks funds 2019 and 2020
- New members 2019 & 2020
 - Divide into categories based on transaction volume (estimated sent CT and CT Inst)¹

Category	Yearly Fee (€) ²
A: Above 100 mio.	150 000
B: 30-100 mio.	10 000
C: 10-30 mio.	5 000
D: 0-10 mio.	500

1. estimated CT and CT Inst transactions in DKK (Intradag, Straks and Dokumentløs Clearing) and SEK (DCL, Bankgiro and BiR)

2. proportional basis in relation to the membership period during the financial year

Principles of voting General Assembly

In Bylaws

- All Members have the right to have one representative at the General Assembly
- All Scheme Members have at least 1 vote, additional votes will be distributed according to scheme usage
- Founding Members will have 1 vote
- Proxies can be used
- No Representative at the meeting may represent more than 20% of the votes with proxies represented at the General Assembly

Details decided General Assembly as part of the Internal Rules

- Members are divided into 4 Categories based on their scheme usage
 - A, B, C and D (before steady state based on current sent CT and CT Inst transactions)
- Additional votes per member distributed according to the categorisation
- In a steady state, one member shall not have more than 10% of the votes and category A not more than 50 %

Principles of voting SMC

In Bylaws

- The composition and powers of the SMC shall be described in Internal Rules of the NPC, approved by the General Assembly

Details decided at the General Assembly as part of the Internal Rules

- A decision regarding introducing new schemes shall be validly taken on a proposal only if it obtains a qualified majority of two third (2/3) votes cast by the SMC Members present. Blank votes and invalid votes do not count. No proposal may be decided upon if more than half of the Members presented abstain.
- Members are divided into 4 Categories based on their scheme usage
 - A, B, C and D (before steady state based on current CT and CT Inst transactions)
 - Category A: 2 votes and 2 seats per member
 - Category B: 1 vote and 1 seat per member
 - Category C & D: 4 seat to share, 4 seats & 4 votes (at least one per country)
 - Country representatives per active Founding Member nominated through NBA (can be a NBA-representative)
- Proxies can be used but only for representing one other, max 2 votes per repr.

Observers – no voting rights

- NBAs incl. the Nordic representative in EPC (e.g. SMB-representative for SEPA)

Estimation of Votes

Estimated number of Votes in a Steady State, GA

Categories	Estimated Number of Members 2023	Estimated % of Total Volume	% of Total Votes
A: Above 100 mio.	5	85%	50%
B: 30-100 mio.	3	6%	17%
C: 10-30 mio.	5	4%	16%
D: 0-10 mio.	102	5%	17%
Total	115	100%	100%

- Category A
 - Between 80-90 % of the transactions and funding of the NPC
 - Max. 10% of votes per bank and 50% votes for Category A together and equally split per category members
- Category B, C and D
 - Between 10-20% of the transactions and funding of the NPC
 - At least one vote per member
 - In total 50% of the votes, equal split per category and equally split per category members

Estimated number of Votes in a Steady State, SMC

Categories	Est. Number of Members 2023	Estimated % of Total Volume	Total Seats and Votes	% of Total Votes
A: Above 100 mio.	5	85%	10	50%
B: Above 30 mio.	3	6%	3	15%
C & D: Less than 30 mio.	107 (4 seats)	9%	4	20%
Country repr.	3	0	3	15%
Total	15	100%	20	100%

In the Scheme Management Committee, each representative have one vote

- Category A
 - Between 80-90 % of transactions and NPC funding
 - 2 representatives & 2 votes each, max 50% all votes
- Category B
 - Between 3-10 % of transactions and NPC funding
 - 1 representative & 1 vote each
- Category C&D
 - Will have 5-15 % of transactions and NPC funding
 - Will nominate 4 representative and 4 votes together
 - At least one per country
- The NBA's will appoint one country representative per active country

During Interim period interim (until steady achieved approx. 2023)

- In the interim period the general principles will be used
- The initial funding of the NPC is done by the 6 P27-banks and therefore there will be 6 Category A Banks 2019-2020
- The votes in the General Assembly and in the SMC will be distributed in order to achieve the steady state balance of voting according to the general principles
- In practice this means

For the GA the voting rights % allocated to each group is fixed. For each group, the voting rights will be distributed between the at any given time number of members in each category according to their present state transactions, considering that no individual member can have more than 10 % of the vote.

For the SMC, the seats allocated to each group is fixed. For each group, the seats will be distributed between the at any given time number of members in each category according to their present state transactions, considering that no individual member can have more than 10 % of the seats.

GA Categories	Estimated number of members end 2019	% of Total Votes
A: Above 100 mio.	6	50%
B: 30-100 mio.	?	17%
C: 10-30 mio.	?	16%
D: 0-10 mio.	?	17%
Total	115	100%

SMC Categories	Seats to be shared for change management process 2019	% of Total Votes
A: Above 100 mio.	10	50%
B: Above 30 mio.	3	15%
C & D: Less than 30 mio.	4	20%
Country repr.	3	15%
Total	20	100%