



**FINANCIAL**<sup>TM</sup>  
DATA EXCHANGE

Policies and Procedures  
with respect to the  
Nomination and Election  
of Directors



# Approval Resolution

WHEREAS, in accordance with Section 4.02(a) of the Limited Liability Company Agreement of Financial Data Exchange, LLC (the “**LLC Agreement**”), the Board is to “establish policies and procedures with respect to the nomination and election of Directors” and Sustaining Members to be effective in time for the May 2021 Board Meeting.<sup>1</sup>

WHEREAS, the Board designated the Board Structure and Nomination Special Committee in July, 2020 to review the applicable matters and make a recommendation to the full Board of Directors for policies and procedures to apply for the next three years (May 2021 – April 2024) until a new special committee can review and reevaluate based on the then effective facts and circumstances.

WHEREAS, after the Special Committee’s report to the Board and the incorporation of comments into the Special Committee’s recommendations, the Board has determined to adopt the following Policies and Procedures with respect to the Nomination and Election of Directors.

NOW THEREFORE BE IT RESOLVED that the following Policies and Procedures, with respect to the Nomination and Election of Sustaining Members that designate the Directors (the “**Nomination Policy**”), are hereby adopted and approved by the Board and shall govern and control over all other agreements and understandings related to the matters described in this Nomination Policy.

## Revision History

Document Version	Notes	Date
1.0	Initial Nomination Policy Approval	February 11, 2021

## Exhibits:

**Exhibit A: Founding Members Chart**

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<sup>1</sup> Pursuant to Section 4.02(b) of Financial Data Exchange, LLC (“**FDX**”), the current Sustaining Members (as well as their Board representatives) were appointed through, at the earliest, the annual meeting of FDX in May 2021. Additionally, upon Two-Thirds vote of the Board (See Sections 4.02(b) and 4.10(n) of the LLC Agreement), prior to such date, FDX shall establish policies and procedures with respect to the nomination and election of Directors (i.e., Sustaining Members). **References to Board members includes the member organization Sustaining Membership that appoints the Director and Alternate Director.**

## Policies and Procedures with respect to the Nomination and Election of Sustaining Members

### Nomination and Election.

In order to maintain the leadership, support, direction and continuance of the successful structure of FDX to date through at least the next three (3) years, the Founding Members (See **Exhibit A**) will not be subject to potential Board rotation at this time. Furthermore, the Rotating Sustaining Members (See **Exhibit A**) will be subject to rotation in a manner to minimize substantial changes as well. The Sustaining Members to be subject to rotation, with staggered three (3) year terms, for the next three years will be as follows:

May 2021	2 FIs; 1 Non-FI (through April 2024)
May 2022	2 Canadian Seats; 1 FI: and 1 Non-FI (through April 2025; Canada 2024)
May 2023	1 FI (through April 2026)
May 2024	As recommended and approved by future special committee in 4 <sup>th</sup> Q 2023

The Rotating Sustaining Members will be subject to rotation:

- First, on a voluntary basis then
- Second, on a FIFO<sup>2</sup> basis, in the event that a sufficient number of Sustaining Members do not voluntarily rotate out.

Sustaining Members may ask to be re-nominated for one additional term but then must sit out at least one year before asking to be reconsidered as a Sustaining Member. For the current Rotating Sustaining Members, they will be deemed to have completed one (1) term at the time of their first potential rotation and are eligible to seek re-nomination/election one time before having to step down for at least a year. Any additional Sustaining Members added to the Board shall be deemed “Rotating Sustaining Members” with a term of three (3) years with the ability to seek re-nomination one time but then must sit out at least one year before asking to be reconsidered as a Sustaining Member.

### Nomination Committee.

Beginning in March 2021, the Board will designate a Nomination Committee (the “**NomCom**”) consisting of Nine (9) Sustaining Members selected by 2/3rds vote of the Board for three (3) year terms:

- Four (4) members from FIs;
- Four (4) members from Non-FIs; and
- One (1) Industry Association.

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<sup>2</sup> The dates that the Rotating Sustaining Members joined FDX are as follow:

- **FIs:** Schwab 7/20/18, Citi 7/31/18, US Bank 9/28/18, TD Bank 10/13/18
- **Non-FIs:** Fiserv 11/14/18, Plaid 2/12/19
- **Canada:** RBC and Interac (In accordance with the Canadian Working Group Charter, both Canadian Sustaining Memberships are for two-years each).

The NomCom will select candidates for Board vote based on the following procedures and prepare a recommendation and dossier for each recommended candidate:

- Sustaining Members may nominate candidates for the NomCom to consider; and
- The NomCom will additionally make a general call from all FDX members for nominations with specific criteria being required to be nominated (e.g., One Year + membership, current on fees, evidence of active FDX participation) and consider all candidates based on:
  - FDX balance of Sustaining Members;
  - adherence to Code of Conduct (including “Aspirational Goals”);
  - changes in ecosystem;
  - diversity of ideas/positions;
  - pro-competitiveness;
  - a scoring matrix rating the criteria of the candidates; and
  - Other criteria determined by the NomCom.

The Nominating Committee will recommend Sustaining Member candidates (or re-nomination) equal to available open positions for an up or down vote on each open Board seat. In order to be elected, the candidate must obtain both (1) a majority of the applicable Membership Group’s vote; and (2) Two-Thirds of the total Board’s approval. If the recommended candidate is not approved, the NomCom, at its option, would make another recommendation (without duplication) in six months or leave the seat open until the following year. Regardless of the vote, the Sustaining Member with an expiring term will step down (if not re-nominated and approved) and be replaced by either an approved replacement or, if the candidate is not approved, the applicable seat would remain vacant until filled.

In the event that the NomCom recommends that the Board add additional seats (such as the “25<sup>th</sup> Seat”), the NomCom will prepare a dossier for the recommended candidate and such candidate must obtain both (1) a majority of the applicable Membership Group’s vote; and (2) Two-Thirds of the total Board’s approval.

The NomCom will work to maintain a Board Membership of 18-25 Sustaining Members (plus 2 Canada Working Group Sustaining Members). The future special committee to be organized in the 4<sup>th</sup> Quarter of 2023 will be formed to designate future nomination directions and procedures based on the facts and circumstances of FDX then applicable.

The NomCom shall adopt its own Charter so long as, in the opinion of FDX’s general counsel, the terms are consistent with the policies and procedures approved herein, otherwise such Charter shall be subject to the approval of the Board.

**Exhibit A**

**Founding Sustaining Members**

**Rotating Sustaining Members**

**Canadian Working Group Board Members**

FS-ISAC	
<b>Financial Institutions</b>	<b>Account Aggregators</b>
Wells Fargo	Yodlee
JPMChase	Plaid
USAA	Fincity
Truist	Intuit
PNC	Fiserv
Bank of America	CA Rep Interac
Capital One	
TD Bank	<b>Financial Industry Orgs</b>
Schwab	The Clearing House
US Bank	SIFMA
CitiGroup	
CA Rep - RBC	
	<b>Any Additional Sustaining Memberships</b>
<b>Permissioned Parties</b>	
Fannie Mae	
Experian	
Fidelity	
Quicken Loans	
Xero	
CA Rep Interac	

**Note: Founding Members were designated at the FDX Board Meeting dated July 18, 2018**