

rediATM Advisory Council Charter & Scheme Rules

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1 Introduction to the rediATM Scheme

1.1 rediATM Scheme Overview

The rediATM Scheme is a general term used to describe the cooperative approach and mechanism under the various agreements, and the rediATM Scheme Rules executed by rediATM participants pursuant to which, its industry representative body, the rediATM Advisory Council (RAC) and Cuscal consult and endorse operational, marketing and other important initiatives.

There will be an industry representative council entitled **RAC**. The RAC will consist of industry representation by the rediATM Scheme participants (see 1.2) and its primary function will be an industry intelligence and advisory body to Cuscal on how best to manage and administer the rediATM Scheme.

The rediATM network has been developed to comply with industry reforms which require direct charging and which came into effect in March 2009.

All rediATM Scheme participants are responsible for ensuring that their ATM transactions comply with the rediATM Rules applicable to them. Different rules apply according to whether a rediATM Scheme participant is a rediATM Owner or a Card Issuer.

Cuscal will manage and operate the rediATM Scheme in accordance with the rediATM Scheme Access Agreement, ATM Services and Cash & Maintenance Services Agreement or the Card Management Services Agreement; or such other rediATM Network access agreement as accepted by Cuscal from time to time; and in consultation and cooperation of the RAC.

All participants in the rediATM Scheme must abide by the rediATM Scheme Rules as they are amended from time to time. The purpose of the rediATM Scheme Rules is to establish a common ground for operations that will create an effective, efficient and published platform for the rediATM Scheme.

Failure by a rediATM Scheme participant to comply with the rediATM Scheme Rules will be a breach of the rediATM Scheme Access Agreement, ATM Services and Cash & Maintenance Services Agreement or the Card Management Services Agreement, as relevant; or such other rediATM Network access agreement as accepted by Cuscal from time to time.

Capitalised terms used in this document have the same meaning as in the rediATM Scheme Access Agreement, ATM Services and Cash & Maintenance Services Agreement or the Card Management Services Agreement, as relevant; or such other rediATM Network access agreement as accepted by Cuscal from time to time.

1.2 rediATM Scheme Operating Structure

The rediATM Scheme operating structure consists of:

The RAC (rediATM Advisory Council)

The rediATM Scheme is governed by the master agreements executed by the participants with Cuscal as well as the rediATM Scheme Access Agreement, ATM Services and Cash & Maintenance Services Agreement or the Card Management Services Agreement or such other rediATM access agreement as accepted by Cuscal from time to time, as relevant, and the rediATM Scheme Rules.

The RAC will consist of representatives of each member type with designated voting rights as per this document. The rediATM Scheme Manager chairs the council. Further information regarding the full responsibilities of the RAC can be found in Section 2 of this document.

1.3 Admission to the rediATM Scheme

Admission to the rediATM Scheme is open to organisations that meet the defined criteria set out below (Note: participants that fit the criteria for more than one category listed must join the Scheme for all categories.)

1.3.1 Card Issuers

For the purposes of the rediATM Scheme, a "card issuer" is:

- a business issuing card products to a customer base through its own principal membership of a card scheme
- a business issuing card products to a customer base through its own membership of the Australian Consumer Electronic Clearing System (CECS) or
- a business issuing card products to a customer base as an associate member (sponsored by a principal member, including Cuscal) of the above schemes.

1.3.2 ATM owners/operators

ATM owners/operators that provide ATMs for use by their cardholders, either by owning the ATMs or through a third party arrangement. Proposed new third party arrangements must be approved by Cuscal.

ATM owners/operators must make all of the ATMs it owns/operates subject to the rediATM Scheme Rules to enable Authorised Cardholders to effect EFT Transactions at its rediATMs Direct Charge free.

1.3.3 Definitions

Definitions contained in the rediATM Scheme Access Agreement, ATM Services and Cash & Maintenance Services Agreement or the Card Management Services Agreement as relevant; or such other rediATM Network access agreement as accepted by Cuscal from time to time, apply to any capitalised terms within this document.

1.4 Contractual Requirements

Card Issuer participants must sign a rediATM Scheme Access Agreement and Card Management Services Agreement or such other rediATM Scheme Network access agreement as accepted by Cuscal from time to time and ATM Owner participants must sign a rediATM Scheme Access Agreement, ATM Services and Cash & Maintenance Services Agreement or such other rediATM Scheme Network access agreement as accepted by Cuscal from time to time, each of which defines their legal obligations including obligations to operate in accordance with the rediATM Scheme Rules.

1.5 Promoting rediATM Scheme as the preferred network

Except for the provisions set out in clauses 1.5.1, Scheme participants are required, per their contractual arrangements with Cuscal, to promote the rediATM Scheme as their preferred network.

This means, there is no preferred marketing or pricing that would favour:

- A single ATM, or
- Another ATM network, or
- A subset of the rediATM network.

For avoidance of doubt, subject to anything to the contrary in the participant's agreement with Cuscal or in the rediATM Brand Guidelines, preferred promotion of the Scheme means:

- The rediATM logo is provided equivalent weight by either location or branding, and
- No pricing or other incentive to cardholders that advantage an ATM, another ATM network or a subset of the rediATM network, and
- Not referring to the rediATM network as a "fall back" or "default option" ATM network, and
- Where there is more than one ATM network available to the participants' cardholders, direct charge free, the rediATM Network will be promoted as the

primary network available to Authorised Cardholders and to Issuers seeking a direct charge free solution.

Where it comes to the Scheme Manager's attention that a Scheme member has breached a clause within this section, the Scheme Manager will consider the severity of the breach and advise the Scheme member what timeframe they need to remediate the breach within.

1.5.1 Preferential pricing within the rediATM network:

Subject to the guidelines below, rediATM Scheme members may preferentially price a single ATM or a sub-set of the rediATM network. In order to preferentially price these ATMs, Scheme participants must:

- not be an owner of ATMs;
- have entered into a rediATM Issuer Access agreement with Cuscal, or such other rediATM Network access agreement as accepted by Cuscal from time to time; and
- pay a levy above the rediATM access fee for all issuing transactions made by the member's cardholders at a rediATM.

All other conditions listed under rule 1.5 continue to apply to a Scheme member who is preferentially pricing ATMs.

1.6 The rediATM Scheme Rules

The rediATM Scheme Rules collectively address (amongst other things):

- The eligibility criteria for different forms of rediATM Scheme participation;
- The requirements, responsibilities, rights and liabilities of the different participants to each other bilaterally and collectively;
- The responsibilities of the RAC (which include the development and maintenance of the rediATM Scheme Rules, and making them available to participants); and
- The process for the amendment of the rediATM Scheme Rules from time to time in accordance with any changes in services or policies.

1.7 Amending the rediATM Scheme Rules

The rules as described in this document may be amended by a proposal put forward by Cuscal and supported by at least 75% of RAC votes.

Specific exceptions to this rule amendment process include rules relating to amendments and/or changes to rediATM Scheme Access pricing and rediATM Scheme/brand personality. Cuscal reserves the right to determine the rediATM Scheme Rules at its sole discretion.

Voting rights are described further at Section 2.6 of this document.

RAC decisions, including voting are discussed further at section 2.8.2 of this document.

1.8 Consequences of Breach of rediATM Scheme Rules

A breach of the rediATM Scheme Rules is a material breach of the rediATM Scheme Access Agreement or such other rediATM Scheme Network access agreement as accepted by Cuscal from time to time.

2 rediATM Scheme Charter

2.1 Background

The rediATM advisory council (RAC) has been established to assist in the administration of the rediATM Scheme operations including promoting the rediATM network.

The RAC has the responsibility to manage and monitor the Scheme operations as stipulated in this document, covering areas such as marketing activities including the monitoring of participation levels and results, research, cost management, industry standards & mandates, and ATM deployment.

The RAC will oversee the Scheme's effectiveness in regards to:

- Changing consumer behaviour to grow "on-rediATM" network transactions;
- Brand, marketing and service consistency within the rediATM network;
- Building and growing brand recognition and loyalty to the rediATM network including Scheme member participation and take up of annual rediATM marketing campaigns. Each campaign will have a measurement for success and reported to the RAC annually and
- Growing the rediATM network to ensure national coverage in metropolitan, regional and remote locations.

2.2 rediATM Advisory Council Functions

The RAC is pivotal in assisting in the administration and management of the rediATM Scheme Rules.

The RAC's powers and functions are as follows:

- To administer the rediATM Scheme Rules;
- To consider any proposed amendments to the rediATM Scheme Rules and to vote on those proposed amendments, if required;
- To prescribe the marketing requirements of the rediATM Scheme;
- To undertake periodical reviews of, and if necessary amending, the specific operating rules, e.g. cost management, marketing and ATM deployment requirements;
- To supervise participation in the rediATM Scheme, including assisting in the investigation of any suspected or alleged infringements, supervising any remedial action;

- To work with Cuscal to ensure prospective new participants meet the Scheme eligibility criteria;
- Advise Cuscal in relation to the adjudication of unresolved disputes between participants as part of the general policy for the resolution process;
- To review the cost recovery fees and charges applicable to participants in the rediATM Scheme; and
- To address any other matter referred to the RAC by rediATM Scheme participants.

2.3 rediATM Advisory Council Responsibilities

In performing his or her powers, duties and functions, RAC representatives must:

- Act honestly;
- Exercise a suitable level of care and diligence;
- Not make improper use of their position or any information acquired by virtue of that position in any way that would adversely effect the rediATM scheme, or any rediATM scheme participant; and
- Not improperly use their position or any information acquired by virtue of their position, to gain an advantage or benefit for that RAC representative, personally or for their organisation, any rediATM scheme participant or any other person or otherwise.

2.4 rediATM Advisory Council Representatives

The representatives of the RAC are:

- The rediATM Scheme Manager and an appointed minute taker;
- Appointees of each single card issuer and/or ATM owner who has met the RAC eligibility requirements;
- Appointees (up to the maximum seat capping allocation) nominated by two or more card issuers and/or ATM owners, who collectively have met the RAC eligibility requirements;

- One appointee (maximum) who represents small credit unions¹ will have an observer seat only (this seat is not included in the cap of twelve seats on the RAC);
- In addition, to ensure representation from states that do not automatically qualify for a seat on the minimum 2.25% threshold test; the participant with the next largest issuing and acquiring volume for that state will be invited to the RAC;
- From time to time, participants of the Scheme who do not sit on the RAC may be invited to attend committee meetings as a guest representative; as invited by the rediATM Scheme Manager. This section should be read in conjunction with 2.8.4 of this document.

The Scheme's formation: the maximum number of advisory council seats is capped at twelve (12) not including the Scheme Manager and their appointed minute taker.

2.5 Eligibility to appoint an advisory council representative

A rediATM Scheme participant is entitled to appoint a RAC representative during the appointment period, if the participant meets the following criteria:

- The rediATM Scheme participant is an issuer and/or ATM Owner prescribing to the rediATM Scheme Rules;
- There is no representative already appointed to the RAC by that rediATM Scheme participant;

AND

- the individual participant has greater than or equal to 2.25% of the total volume of Voting Rights in the rediATM Scheme.

OR

Two or more rediATM Scheme participants collectively, have greater than or equal to 2.25% of the total volume of rediATM scheme Voting Rights, in which case those participants together may collectively appoint one representative.

¹ A small credit union is defined as having an asset size of \$100 million or less.

For the avoidance of doubt, provided an individual member has the minimum 2.25% of total volume and the maximum twelve (12) seat allocation cap is not exceeded, the seat can be appointed to any number of rediATM Scheme participants.

In the event that the seat cap of 12 will be exceeded the following will apply:

1. Organisations that achieved the highest volume share through aggregation will be appointed the seat(s) up to the maximum cap; and/or
2. Where a seat(s) is available and two or more rediATM Scheme participants apply for a seat the seat will be appointed to the rediATM Scheme participant with the highest individual volume share.

2.6 Voting Rights

Voting rights serve two purposes: firstly it's a criteria for RAC eligibility and secondly it represents the voting rights percentage assigned to a participant's representative if appointed a RAC seat.

Initially during the Scheme's formation, then on an annual ongoing basis, voting rights are calculated to determine participants' eligibility to appoint a RAC representative.

Voting rights for RAC representatives will be calculated as follows:

For the month of May from the preceding financial year Cuscal will report the volumes of issuing "on us" and "not-on-us" transactions and acquiring "not-on-us" and other financial institutions' transactions for each rediATM scheme participant.

Cuscal will release these volumes to rediATM Scheme participants within four weeks of the financial year-end (in July of each year).

Each RAC representative will be eligible to attain a percentage of the total vote as follows:

- The percentage of their issuing "on us" and "not-on-us" volume (against total rediATM scheme volume) will be allocated for 50% of the vote.
- The percentage of their acquiring "not-on-us" and "other financial institutions" volumes (against total rediATM scheme volume) will be allocated for 50% of the vote.

Only RAC representatives present at the rediATM Advisory Council meeting will have the power to vote on the questions considered during that meeting by the RAC.

(Following are two examples of voting rights calculations)

Example One: Voting rights review - individual issuer and/or ATM Owner transaction volume relative to the total rediATM volume.

Participant Z's May transaction totals:	<u>Acquiring:</u> 100,000 "not-on-us" and "other financial institutions"	<u>Issuing:</u> 150,000 "on us" & "not-on-us"
The total rediATM Scheme transaction volumes for that May:	<u>Acquiring:</u> 1,000,000 "not-on-us" and "other financial institutions"	<u>Issuing:</u> 2,000,000 transactions
Calculate Participant Z's percentage of the total volume:	<u>Acquiring</u> volume is $100,000/1,000,000 =$ 10%	<u>Issuing</u> volume is $150,000/2,000,000 =$ 7.5%
Weight each category by 50% for the total vote entitlement:	<u>Acquiring:</u> 50% of 10% = 5%	<u>Issuing:</u> 50% of 7.5% = 3.75%
Calculate Participant Z's total voting entitlement by adding acquiring and issuing vote entitlements:	<u>Total voting entitlement:</u> 5% + 3.75% = 8.75%	
<u>Summary:</u> Participant Z has over 2.25% of the total voting entitlement, they may be eligible to appoint one representative to the RAC (see all eligibility criteria to appoint RAC representatives).		

Example Two: Voting rights review - individual issuer and/or ATM Owner transaction volume relative to total rediATM volume that don't meet the 2.25% voting rights threshold and wish to form an alliance with another organisation.

Participant A's May transaction totals:	Acquiring: zero "not-on-us" and "other financial institutions"	Issuing: 50,000 "on us" & "not-on-us"
Participant B's May transaction totals: (alliance organisation(s))	Acquiring: zero "not-on-us" and "other financial institutions"	Issuing: 50,000 "on us" & "not-on-us"
The total rediATM Scheme transaction volumes for that May :	Acquiring: 1,000,000 "not-on-us" and "other financial institutions"	Issuing: 2,000,000 transactions
Calculate Participant A's and B's percentage of the total volume:	Acquiring volume is $0/1,000,000 = \mathbf{zero\%}$	Issuing volume is $100,000/2,000,000 = \mathbf{5.00\%}$
Weight each category by 50% for the total vote entitlement:	Acquiring: $50\% \text{ of } 0\% = \mathbf{zero\%}$	Issuing: $50\% \text{ of } 5\% = \mathbf{2.5\%}$
Calculate Participant A's total voting entitlement by adding acquiring and issuing vote entitlements:	Total voting entitlement: $\mathbf{0\% + 2.5\% = 2.5\%}$	

Summary:

Participant A's total percentage is not sufficient to be eligible to appoint an individual representative to the RAC. Participant A may develop an alliance with one or more rediATM Scheme participants (who do not have an appointed representative) in order to achieve a total voting entitlement of equal to or greater than 2.25%. This case may then apply for the seats provisioned for on the RAC provided maximum twelve (12) seat allocation cap is not exceeded.

The representative will be permitted a voting entitlement of the cumulative total of the voting entitlements of the rediATM Scheme participants who appoint that representative.

Voting cap:

To protect the existing RAC members' voting rights and ensure equality of 'voice' at the RAC, any participant with greater than 50% of the transactional volume, will have their voting rights at RAC capped at 50%.

Where a participant has their voting rights capped, then the number of votes that the participant would have had in excess of 50%, based on raw figures, if the cap was not in operation, will be reallocated among other RAC members in proportion to their share of the remaining number of votes.

Example: Assume that, based on share of scheme volumes, Participant A has 65% voting share (prior to cap). Remaining participants share a total of 35%. The cap is applied to reduce Participant A's share to 50% (i.e. 15 votes are removed from the initial 65, to bring A's share down to 50). The 15 votes are reallocated amongst the remaining participants, in proportion to their respective shares of the remaining votes.

2.7 Appointment

The appointment of a RAC representative by a rediATM Scheme participant may only occur:

- At the beginning of a new term if a single rediATM Scheme participant has equal to or greater than 2.25% of total voting entitlement;
- At the beginning of a new term if two or more rediATM Scheme participants appointing one representative have equal to or greater than 2.25% of total voting entitlement (RAC seats available provided the maximum twelve (12) seat allocation cap is not exceeded);

and in each case the rediATM Scheme participant(s) must nominate their representative to the rediATM Scheme Manager no later than 31st July (following the release of the rediATM Scheme participant transaction volumes for the previous May).

2.7.1 Alternate Participant

A RAC representative may nominate a person to serve as an alternate representative on their behalf. This alternative may exercise any powers that their RAC participant may exercise and is deemed to be a RAC representative.

2.7.2 Term

The term of office of any representative of the RAC is for one financial year or until the organisation no longer meets the eligibility to appoint a RAC representative (including, for example, where the participant has divested assets that were critical to the participant reaching the 2.25% target).

2.7.3 Vacation of office

The RAC representative office becomes vacant if:

- The representative resigns by written notice addressed to the rediATM Scheme Manager;
- The representative or the representative's nominated alternate representative is absent from 50% of the scheduled annual meetings, or, in the case of any representatives that join the RAC part way through a year, is absent from 50% of the scheduled meetings that the representative is eligible to attend;
- The representative is removed from office by the rediATM Scheme participant(s) whom originally appointed the representative;
- The rediATM Scheme participant whom appointed the representative ceases to be a rediATM Scheme participant;
- The representative no longer meets the requirements to appoint a representative at the end of the term.

2.7.4 Convening of meetings and notice

RAC meetings will convene three times a year or at such other intervals that may be determined from time to time by the RAC, or as directed by the rediATM Scheme Manager. Where possible, RAC representatives will be provided four weeks notice of when the next RAC meeting will convene. RAC representatives are required to submit to the rediATM Scheme Manager any agenda items to be added and discussed at the RAC 14 days prior to the RAC meeting. The representative adding the agenda item will be allocated time to present their agenda items. Should no request be received by the rediATM Scheme Manager the agenda will be provided to all RAC representatives 7 days prior to the RAC meeting being held.

2.7.5 Location of Meeting

Meetings are to be held in Sydney, Melbourne and Adelaide on alternate occasions.

When a meeting is scheduled in the city where a RAC representative is based, they will be asked to provide a suitable meeting location at their office. If the

representative is unable to provide a suitable venue, the RAC meeting will be held at Cuscal's Sydney office.

2.7.6 Costs and expenses

If a RAC representative needs to travel interstate to attend a meeting, the Scheme will pay for a return discount economy airfare and other reasonable travel expenses at the Scheme Managers approval for that representative. The representative is to pay for the flight and submit a claim plus the receipt to the Scheme Manager for reimbursement. The claim must be made within 3 months of the flight.

Representatives hosting a meeting will be asked to provide refreshments for all meeting attendees.

2.8 Proceedings

2.8.1 Chairperson

The RAC Chairperson is the rediATM Scheme Manager. If the rediATM Scheme Manager is not able to act as Chairperson or is not present for a meeting commencement, the Network Owner (that is Cuscal) may appoint an alternate, being either an employee of Cuscal or a representative of the RAC.

2.8.2 Decisions

Resolutions arising at a RAC meeting are to be decided by a vote of the representatives present and able to vote at the meeting.

A majority of 75%, of the total voting rights, will be required to approve a resolution otherwise the resolution will not be passed.

To protect the existing RAC members' voting rights and ensure equality of 'voice' at the RAC, any participant with greater than 50% of the transactional volume, will have their voting rights at RAC capped at 50%.

2.8.3 Quorum

The quorum for a meeting of the RAC is 70% of the number of voting RAC Representatives who are entitled to vote on questions arising for a decision.

2.8.4 Others in attendance at meetings

The RAC may permit persons to attend any meeting either in an advisory capacity or as an observer (without any entitlement to participate in committee deliberation), provided that the attendee must not disrupt the RAC proceedings.

The rediATM Scheme Manager has the authority to allow or refuse attendance by

other persons. Where a person has been permitted at the request of a RAC representative as an observer there will be no claimable travel expenses by the observer.

2.8.5 Meetings Defined

RAC meetings are duly defined as:

- a meeting of the representatives assembled in person, on the same day, at the same time and place; or
- the RAC representatives communicate with each other by any means by which they are able to simultaneously hear each other and participate in the discussion notwithstanding they (one or more of them) are not physically present in the same place.

2.8.6 Representatives

A listing of RAC representatives will be available on <https://www.cuscal.com.au/rediatm-scheme-centre>

2.8.7 Minutes

The rediATM Scheme Manager will have an appointed minute taker attending the RAC meetings. Copies of the minutes will be forwarded to all RAC representatives within 7 days of the meeting, or as otherwise communicated by the rediATM Scheme Manager.

Meeting minutes will be available to participants by email request to the Scheme Manager.

The minute contents will include:

- Matters affecting the rediATM Scheme Rules;
- Records of any matters submitted to a vote of the RAC and whether those matters were approved
- Any decisions where no unanimous decision has been reached; and
- Other matters as considered relevant by the Chairperson of the RAC or which any representative of the RAC specifically requested be included in the minutes.

3 rediATM Scheme Access Fees

rediATM Scheme Access Fee – fee per Scheme withdrawal transaction	\$1.23
rediATM Scheme Access Fee – fee per Scheme balance enquiry transaction	\$0.61