

BYLAWS OF SECURE POS VENDOR ALLIANCE LTD.

ARTICLE I

NAME AND PURPOSE

Section 1.1 Name

The corporation is and shall be known as Secure POS Vendor Alliance Ltd. (the “Corporation”).

Section 1.2 Purpose

The Corporation is organized and shall be operated exclusively as a non-stock, nonprofit trade association within the meaning of Section 501(c)(6) of the Internal Revenue Code of 1986 and the Regulations thereunder, as they now exist or as they may hereafter be amended (hereinafter collectively referred to as the “Code”), and specifically as follows:

- To promote and improve the point of sale (“POS”) industry by continuously developing and promulgating new interoperable security standards and best practices that advance payment security for the benefit of all stakeholders;
- To educate consumers, merchants, and transaction acquirers and issuers to raise awareness about and address security issues; and
- To carry on such other activities as are permissible for corporations exempt from federal income tax under Code Section 501(c)(6), or a corporation formed under the Delaware General Corporation Law.

Section 1.3 Nonprofit Status

Notwithstanding any other provision of these Bylaws, the Corporation is organized and at all times shall be operated exclusively as a corporation not organized for profit and the Corporation shall not directly or indirectly conduct or carry on any activities not permitted to be conducted or carried on by an organization described in Section 501(c)(6) of the Code, and exempt from taxation under Section 501(a) of the Code. The Corporation’s entire properties, assets, and facilities shall be devoted to the purposes for which it is organized as set forth in the Articles of Incorporation and these Bylaws as the same may from time to time be amended. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributed to, any Director, officer, Member of the Corporation or private individual, except that reasonable compensation may be paid for services actually rendered to or for the Corporation.

ARTICLE II

OFFICE AND BOOKS

The Corporation shall maintain in Delaware a registered office and a registered agent at such office, and may have such other offices at such places within or outside of the State of Delaware as determined by the Board of Directors. There shall be kept at the principal office of the Corporation correct books of account of the activities and transactions of the Corporation including the minute book, which shall contain a copy of the Certificate of Incorporation, a copy of these Bylaws, and all minutes of meetings of the Board of Directors.

ARTICLE III

MEMBERS

Section 3.1 Membership Candidates

Any individual, firm, partnership, corporation, unincorporated association, or governmental body (hereinafter “Person”), who meets the requirements set forth in Section 3.2 may apply for membership in the Corporation. The procedure for admission to the Corporation is set forth in Section 3.3. The Corporation does not restrict membership on the basis of race, color, sex, religion, or national origin.

Section 3.2 Classes of Membership

Until the seventh annual meeting of the Members, the Corporation shall have three classes of members (“Members”): Founding Members, General Members, and Associate Members, whose qualifications, rights, privileges and obligations are set forth herein and in Board of Directors resolutions, not inconsistent with these Bylaws, which may be adopted from time to time.

Section 3.2.1 Founding Members

- (a) Subject to Section 3.12 below, until the seventh annual meeting of the Members, there shall be three Founding Members: The Ingenico SA (“Ingenico”), Hypercom Corporation (“Hypercom”) and VeriFone Holdings Inc. (“VeriFone”). Immediately after the seventh annual meeting, each Founding Member shall automatically become a General Member and there shall be no Founding Members thereafter, provided that each Founding Member otherwise meets the qualifications set forth in these Bylaws for General Members.
- (b) At or prior to each annual meeting of the Members, each Founding Member shall be entitled to elect one member of the Board of Directors for a one-year term, beginning at such annual meeting (each a Founding Member Director”).
- (c) Each Founding Member is entitled to one vote by a duly authorized representative in person or by proxy at the annual and special meetings of the Members.
- (d) Founding Members may participate in, contribute to and chair Technical Working Groups as determined by the Board of Directors.
- (e) Each Founding Member shall be entitled to be represented at all meetings of the Members, as well as at meetings of the Technical Working Groups.
- (f) Each Founding Member shall have full voting rights (except to vote for the General Member Director or the Associate Member Director) and each may call special meetings of the Members, and shall have such other rights as the Board of Directors determines from time to time.

Section 3.2.2 General Members

- (g) General Membership shall be open to Persons whose primary focus is the development of secure POS payment terminals, or as otherwise set forth in Board of Directors resolutions, following the procedure for admission set forth in Section 3.3 and payment of dues or fees at the level periodically established by the Board of Directors.
- (h) Subject to Section 3.12 below, until the seventh annual meeting of the Members, at or prior to each annual meeting of the Members, General Members collectively shall be entitled to elect one member of the Board of Directors for a one-year term, beginning at such annual meeting (the “General Member Director”). At the seventh annual meeting of the Members and thereafter, the General Members collectively shall be entitled to elect the number of General Member Directors determined by Section 4.2(c) below.
- (i) Each General Member may participate in, contribute to and chair Technical Working Groups.
- (j) Each General Member shall have such other rights as the Board of Directors determines from time to time. General Members shall have no voting rights, except as provided in this Section 3.2.2, and may not call any meetings, special or otherwise, of the Members; provided, however, that at seventh annual meeting of the Members and thereafter, each General Member shall have full voting rights (except for the right to elect the Associate Member Director).

Section 3.2.3 Associate Members

- (a) Associate Membership shall be open to Persons who have products or solutions that interact with secure POS payment terminals, or as otherwise set forth in Board of Directors resolutions, following the procedure for admission set forth in Section 3.3, and payment of dues or fees at the level periodically established by the Board of Directors.
- (b) At or prior to each annual meeting of the Members, Associate Members collectively shall be entitled to elect one member of the Board of Directors for a one-year term, beginning at such annual meeting (the “Associate Member Director”).
- (c) Each Associate Member may participate in and contribute to Technical Working Groups.
- (d) Each Associate Member shall have such other rights as the Board of Directors determines from time to time. Associate Members shall have no voting rights, except as provided in this Section 3.2.3, and may not call any meetings, special or otherwise, of the Members.

Section 3.3 Admission to Membership

- (a) Any Person possessing the requisite qualifications to secure admission to membership of any category in the Corporation shall make written application to the Chairman or such other person or committee as the Board of Directors directs. The application, accompanied by the related application fees (if any), shall be signed by the applicant. The Chairman or such other person or committee shall recommend the approval or rejection of such application to the Board of Directors in accordance with objective criteria established by the Board of Directors which are consistent with Sections 3.1 and 3.2 and fairly applied. An applicant who is rejected may resubmit an amended application, but in all cases the Board of Directors shall have the sole discretion to make the final determination as to whether the objective criteria has been met by such amended application.
- (b) Each Member shall: sign a Membership Agreement in a form prescribed by the Board of Directors prior to commencing membership; sign such annual renewal forms confirming renewal of membership as the Board of Directors may require; and timely submit such forms

and pay dues and fees at the level periodically established by the Board of Directors. Failure to adhere to these requirements shall result in termination of membership in the Corporation.

Section 3.4 Meetings of Members/Quorum

- (a) The Members shall meet annually, and at such other times as determined by the Board of Directors, at such date, time and place as designated by the Board of Directors. At least ten (10) but no more than fifty (50) days written notice shall be given for the annual meeting of the Members to all Members entitled to vote at such annual meeting. Such notice shall state the place (if any), date and hour of meeting, and the means of remote communication (if any) by which the Members and proxy holders will be deemed to be present in person and vote.
- (b) The Board of Directors may call a special meeting of the Members at any time, at such date, time and place as designated by the Board of Directors. At least ten (10) but no more than fifty (50) days' written notice shall be given for the special meeting to all Members entitled to vote at such special meeting. The notice shall state the place (if any), date and hour of the special meeting, the means of remote communication (if any) by which the Members and proxy holders will be deemed to be present in person and vote, and indicate that it is being issued by or at the direction of the Board of Directors calling the special meeting. Notice of a special meeting shall also state the purpose or purposes for which the meeting is called. Any action or decision which could be taken at a meeting of the Members may be taken at a duly called special meeting of the Members at which a quorum is present in accordance with Section 3.4(d) below.
- (c) Each Founding Member may call a special meeting of the Members at any time, at such date, time and place as designated by the Founding Members. At least ten (10) but no more than fifty (50) days' written notice shall be given for any special meeting of the Members called by the Founding Members. The notice shall state the place (if any), date and hour of the special meeting, the means of remote communication (if any) by which the Members and proxy holders will be deemed to be present in person and vote, and indicate that it is being issued by or at the direction of the Members calling the special meeting. Notice of a special meeting shall also state the purpose or purposes for which the meeting is called. Any action or decision which could be taken at a meeting of the Members may be taken at a duly called special meeting of the Members at which a quorum is present in accordance with Section 3.4(d) below.
- (d) At all meetings of Members, a quorum shall consist of at least one half (1/2) of the Members in good standing, present in person or by proxy, and entitled to vote. Once a quorum is present, it is not broken by the withdrawal of one or more Members. Except as otherwise provided by these Bylaws, a majority vote of the Members in good standing, present in person or by proxy, and entitled to vote on such action at any meeting at which a quorum is present shall be required to approve any action that requires the consent of the Members.

Section 3.5 Membership Dues

Members shall pay such dues and fees as shall be established from time to time by the Board of Directors. Membership in the Corporation carries a definite obligation to pay membership dues and any assessments established by the Board of Directors. Membership dues, charges, and assessments are not refundable for any reason.

Section 3.6 Delinquent Dues

Any Member which is delinquent in the payment of all or any portion of its dues or fees referred to above shall not be entitled to exercise the privileges of membership. The Secretary-Treasurer shall notify a Member that has become delinquent in paying dues of the delinquency within forty (40) days after the date on which the dues are payable. If the delinquency persists for an additional twenty (20) days, a second delinquency notice shall be sent. In the event such Member is delinquent for more than seventy-five (75) days after the date upon which any such delinquent dues became payable, its membership and all membership rights may be suspended at the discretion of the Chairman and the membership may be terminated by the Board of Directors pursuant to Section 3.10. A member of the Board of Directors associated with a terminated Member shall cease to be a member of the Board of Directors at the time of the termination of a Member's membership, but may be reinstated, at the Board of Directors' discretion, if all dues arrearages are brought current.

Section 3.7 Membership Agreement

Each Member shall execute a Membership Agreement and agree to be bound by the terms of such Membership Agreement and these Bylaws and all amendments thereto before being admitted to the rights of membership in the Corporation. In addition, Members shall execute such annual renewal forms confirming renewal of membership as the Board of Directors may require. Those Members who executed the Membership Agreement and any required annual renewal forms and have paid the required dues and fees in accordance with these Bylaws and who are not suspended shall be considered Members in good standing.

Section 3.8 Resignation

Any Member of the Corporation may withdraw from membership by tendering a written resignation to the Board of Directors and a sum of money equal to full payment of any and all fees and dues remaining unpaid on the date of tender of resignation. No refunds of any dues or fees shall be made in event of resignation.

Section 3.9 Withdrawal from Business

Membership in the Corporation shall automatically terminate upon bankruptcy or withdrawal from or cessation of business by any Member or upon such an alteration in the nature of business transacted by the Member as would disqualify a Member from securing a membership upon application therefor.

Section 3.10 Suspension and Expulsion

- (a) Any General Member or Associate Member of the Corporation which violates any of the Bylaws, documented procedures or resolutions adopted by the Board of Directors from time to time, or fails to pay dues or fees within seventy-five (75) days of the date on which they are payable, shall be subject to termination of membership, expulsion, or any other sanction approved by the Board of Directors. Expulsion or suspension for any reason other than non-payment of dues or fees shall occur only after the affected General Member or Associate Member has been advised, in advance and in writing, of the proposed expulsion or suspension and the reasons therefor, and has been given an opportunity to submit to the Board of Directors reasons in support of its continued membership in the Corporation. The notice to the affected General Member or Associate Member shall include a concise statement of the material facts constituting the charge. If the Board of Directors determines in good faith that the allegations are substantiated, the Board of Directors shall vote on appropriate sanctions. The decision of the Board of Directors concerning an expulsion or a suspension shall be final and binding.

A General Member or Associate Member may be suspended based on the good faith determination of the Board of Directors that the Member has failed in a material or serious degree to observe the Corporation's rules, or has engaged in conduct seriously prejudicial to the purposes and interests of the Corporation. Any General Member or Associate Member whose membership in this Corporation shall have been suspended by the Board of Directors shall not be a Member during the period of

suspension and shall have no interest in any of the activities, funds, property, rights, and interests belonging to the Corporation until such time as such Member complies with the requirements of the Board of Directors for the removal of the suspension and the return to good standing.

- (b) A General Member or Associate Member expelled for any reason shall forfeit any dues or fees paid during membership. No General Member or Associate Member who has been expelled shall be eligible for reelection to membership for at least one (1) year from the date of expulsion unless the Board of Directors votes otherwise. Such former Members shall not be readmitted until all arrears in dues, fees and/or monetary obligations to the Corporation shall have been paid.

Section 3.11 Change of Control

- (a) *Combination of Founding Members.* In the event that a Founding Member (the “Acquiring Founding Member”) acquires, directly or indirectly, control of another Founding Member or substantially all the assets of a Founding Member (the “Acquired Founding Member”) (a “Founding Member Combination”), immediately upon the closing of the Founding Member Combination, (i) the membership rights of the Acquired Founding Member shall be extinguished, (ii) the Acquired Founding Member Director shall be removed from the Board of Directors, (iii) the Acquiring Founding Member shall continue to have the rights of a single Founding Member, (iv) the number of Founding Member Directors shall be decreased by one and (v) the number of General Member Directors shall be increased by one. The Board of Directors shall call a special Members meeting to occur no later than 60 days following the closing of the Founding Member Combination for the purpose of electing a Director to replace the departing Acquired Founding Member Director to fill the unexpired term of the applicable Director seat. The new Director shall be elected by the General Members in accordance with the procedures set forth herein for the election of a General Member Director.
- (b) *Merger of General or Associate Members.* In the event that a General Member or Associate Member (the “Acquiring Member”) acquires, directly or indirectly, control of another General Member or Associate Member or substantially all the assets of such Member (the “Acquired Member”) (a “Member Combination”), immediately upon the closing of the Member Combination, (i) the membership rights of the Acquired Member shall be extinguished and (ii) the Acquiring Member shall continue to have the same membership rights that the Acquiring Member had prior to the Member Merger. Where the Merger Combination results in the surviving entity having more than one director on the Board of Directors, such directors may remain in office until the expiration of their term.
- (c) For purposes of this Section 3.11, “control” shall mean the power to direct the management and policies of the Acquired Founding Member or Acquired Member, as applicable.

Section 3.12 Designated Representative

Except in the case where a Member is an individual, each Member shall designate a single natural person, who shall be an officer or full-time employee of such Member, to be its Designated Representative. Such designation shall be in writing and shall be maintained among the records of the Corporation. The Designated Representative of a Member shall have the rights and privileges of such Member as specified in these Bylaws or by resolution of the Board of Directors. A Designated Representative shall represent the interests of its Member with respect to all membership actions until removed by such Member. A Designated Representative may be removed by the Member in accordance with procedures established by such Member. The decision to remove a Designated Representative shall be promptly communicated by the Member to the Corporation and shall be effective immediately.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.1 Management of Affairs

The affairs of the Corporation shall be managed by a Board of Directors.

Section 4.2 Composition

- (a) Prior to the first annual meeting of the Members, the Board of Directors shall consist of the three Founding Member Directors.
- (b) Following the first annual meeting of the Members and subject to Section 4.2(c) and Section 3.11, the Board of Directors shall consist of five Directors: three Founding Member Directors, one General Member Director, and one Associate Member Director.
- (c) Following the seventh annual meeting of the Members, the Board of Directors shall consist of: (i) a number of General Member Directors equal to the sum of (x) one *plus* (y) the number of Founding Member Directors immediately prior to the seventh annual meeting, and (ii) one Associate Member Director.

Section 4.3 Election

- (a) Each Founding Member shall be entitled to elect one Founding Member Director at or prior to each annual meeting of Members. Each Founding Member Director shall serve beginning at such annual meeting until a successor shall have been duly elected, until such Director's death, or until such Director resigns or is removed. If a Founding Member Director leaves the Board of Directors for any reason prior to the end of his or her term of office, the vacancy shall be filled by action of the Founding Member that elected the departing Director.
- (b) The General Member Director(s) shall be elected by the General Members at or prior to each annual meeting of Members and shall serve beginning at such annual meeting until a successor shall have been duly elected, until such Director's death, or until such Director resigns or is removed. If a General Member Director leaves the Board of Directors for any reason prior to the end of his or her term of office, the vacancy shall be filled by action of the General Members; provided that, if a vacancy remains unfilled for six months after it occurs, and by reason of the absence, illness, or other inability of one or more of the remaining directors a quorum of the board cannot be obtained, the remaining Directors, or a majority of them, may appoint a Director to fill such vacancy.
- (c) The Associate Member Director shall be elected by the Associate Members at or prior to each annual meeting of Members and shall serve beginning at such annual meeting until a successor shall have been duly elected, until such Director's death, or until such Director resigns or is removed. If the Associate Member Director leaves the Board of Directors for any reason prior to the end of his or her term of office, the vacancy shall be filled by action of the Associate Members; provided that, if a vacancy remains unfilled for six months after it occurs, and by reason of the absence, illness, or other inability of one or more of the remaining directors a quorum of the board cannot be obtained, the remaining Directors, or a majority of them, may appoint a Director to fill such vacancy.

Section 4.4 Term of Office

- (a) Each Director shall serve for terms of one (1) year each. Terms begin at the annual meeting at, or prior to which, the Director was elected and end at the beginning of the annual meeting that begins one (1) year later.

Section 4.5 Meetings

- (a) There shall be at least one (1) regular meeting of the Board of Directors during each calendar year. Other special meetings may be called by the Chairman of the Board of Directors on his or her own motion, or shall be called by the Chairman at the request of Directors comprising at least a majority of the membership of the Board of Directors. At least five (5) but no more than sixty (60) days prior to the regular meetings or special meetings, notice of the meeting shall be given by mail, e-mail, fax or express/overnight mail to all Directors.
- (b) Meetings of the Board of Directors may be held at any place designated in the notice of meeting, and shall not be open to Members unless the Board of Directors determines otherwise. At any regular or special meeting, the Board of Directors may transact any business which may come before them. Meetings may be held at any time and without notice if all the Directors are present or if those not present waive notice of the meeting in writing or electronically.
- (c) Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called.

Section 4.6 Quorum and Voting

- (a) Except as provided in Section 4.6(b) below, each Director present at a meeting shall be entitled to one (1) vote. Directors may not vote by proxy. A quorum of the Directors shall consist of not less than one-half (1/2) of the Directors serving in office. An act approved by majority vote of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless otherwise provided by law, in the Articles of Incorporation, or these Bylaws.
- (b) Notwithstanding anything to the contrary in these Bylaws, during the initial seven years of the Corporation's existence, the Corporation shall not, without the unanimous approval of the Founding Members:
 - (1) ratify a proposed standard, guideline or best practices recommendation;
 - (2) amend these Bylaws, the Antitrust Guidelines, the fee structure of Corporation, or any other governance provision;
 - (3) amend any position statement or marketing collateral of the Corporation;
 - (4) make any public communication;
 - (5) create any Technical Working Group, sub-committee or research proposal; or
 - (6) ratify the annual budget or any proposed spending.

Section 4.7 Removal

Any Director may be removed for cause by a vote of the Members entitled to elect such Director at an annual or special meeting.

ARTICLE V

OFFICERS

Section 5.1 Number and Qualifications

The officers of the Corporation shall be a Chairman, a Vice Chairman, a Secretary-Treasurer, and such other officers as may be elected or appointed by the Board of Directors. The Chairman and Vice Chairman must be Directors of the Board of Directors; provided that the Associate Member Director may not serve as Chairman.

Section 5.2 Election and Term of Office

- (a) Except as provided below in Section 5.2(b), the officers of the Corporation shall be elected by the Board of Directors at each annual meeting of the Board of Directors. If the election of such officers shall not be held at such meeting, such election shall be held as soon thereafter as is convenient. Each officer shall hold office until a successor is duly elected or appointed, until such officer's death or until such officer resigns or is removed from office in the manner provided herein. Vacancies in such offices may be filled or new offices filled at any meeting of the Board of Directors.
- (b) Notwithstanding Section 5.2(a),
 - (1) until the second annual meeting of the Members, (i) the Founding Member Director elected by Ingenico shall appoint the Chairman, (ii) the Founding Member Director elected by Hypercom shall appoint the Vice Chairman and (iii) the Founding Member Director elected by VeriFone shall appoint the Secretary-Treasurer;
 - (2) following the second annual meeting of the Members and until the third annual meeting of the Members, (i) the Founding Member Director elected by Hypercom shall appoint the Chairman, (ii) the Founding Member Director elected by VeriFone shall appoint the Vice Chairman and (iii) the Founding Member Director elected by Ingenico shall appoint the Secretary-Treasurer;
 - (3) following the third annual meeting of the Members and until the fourth annual meeting of the Members, (i) the Founding Member Director elected by VeriFone shall appoint the Chairman, (ii) the Founding Member Director elected by Ingenico shall appoint the Vice Chairman and (iii) the Founding Member Director elected by Hypercom shall appoint the Secretary-Treasurer;
 - (4) following the fourth annual meeting of the Members and until the fifth annual meeting of the Members, (i) the Founding Member Director elected by Ingenico shall appoint the Chairman, (ii) the Founding Member Director elected by Hypercom shall appoint the Vice Chairman and (iii) the Founding Member Director elected by VeriFone shall appoint the Secretary-Treasurer;
 - (5) following the fifth annual meeting of the Members and until the sixth annual meeting of the Members, (i) the Founding Member Director elected by Hypercom shall appoint the Chairman, (ii) the Founding Member Director elected by VeriFone shall appoint the Vice Chairman and (iii) the Founding Member Director elected by Ingenico shall appoint the Secretary-Treasurer; and
 - (6) following the sixth annual meeting of the Members and until the seventh annual meeting of the Members, (i) the Founding Member Director elected by VeriFone shall appoint the Chairman, (ii) the Founding Member Director elected by Ingenico shall appoint the Vice Chairman and (iii) the Founding Member Director elected by Hypercom shall appoint the Secretary-Treasurer.

Section 5.3 Removal

Any officer elected or appointed by the Board of Directors may be removed with or without cause as an officer at any time by the affirmative vote of a majority of the entire Board of Directors, as then constituted. Such removed officer's unexpired term shall be filled by an individual appointed or elected in the manner set forth in Section 5.2(b).

Section 5.4 Powers and Duties of the Chairman

The Chairman shall preside at all meetings of the Board of Directors, shall exercise general supervision over the Corporation's activities, shall actively supervise and oversee the management performance of the other officers, and shall have such other powers and duties as the Board of Directors may prescribe from time to time. Subject to the direction of the Board of Directors, the Chairman shall see that all votes and resolutions of the Board of Directors are carried out.

Section 5.5 Powers and Duties of the Vice Chairman

In the absence or disability of the Chairman, a Vice Chairman shall perform the duties and exercise the powers of the Chairman. In addition, the Vice Chairman shall have such other powers and duties as the Board of Directors may prescribe from time to time. The Vice Chairman shall also serve as the Chief Technology Officer and shall set the technology direction for the Corporation.

Section 5.6 Powers and Duties of the Secretary-Treasurer

The Secretary-Treasurer shall attend all meetings of the Board of Directors and shall be responsible for recording all votes and the minutes of all proceedings in a book to be kept for that purpose and may perform like duties for any committee. The Secretary-Treasurer shall give, or cause to be given by the staff, notice of all meetings of the Board of Directors and shall have such other powers and duties as the Board of Directors may prescribe from time to time. The Secretary-Treasurer shall monitor the fiscal operations and fiduciary responsibilities of the Corporation, ensure the Corporation conducts annual audits as appropriate, and verify that the funds and securities of the Corporation are deposited in such banks or other depositories as shall from time to time be selected by the Board of Directors. The Secretary-Treasurer shall submit a written report at the annual meeting of the Members and at each meeting of the Board of Directors. The Secretary-Treasurer shall also report, at any meeting, developments affecting financial practices or policy about which the Members or the Board of Directors should be informed.

ARTICLE VI

COMMITTEES

Section 6.1 Committees

The Board of Directors may create committees, each of which shall consist of at least one Director, and may also consist of officers, representatives of Members, or any combination thereof, to carry out the business of the Corporation to the extent permitted by the Delaware General Corporation Law, or to maintain liaison between the Board of Directors and Members and between the Corporation and other interested organizations. The Board of Directors shall appoint a Chair for each such committee, who shall report to the Board of Directors.

ARTICLE VII

CHECKS, CONTRACTS AND OTHER DOCUMENTS THAT BIND THE CORPORATION

Section 7.1 Checks, Notes and Contracts

The Board of Directors is authorized to select the banks or depositories it deems proper for the funds of the Corporation and shall determine who shall be authorized on the Corporation's behalf to sign checks, drafts or other orders for the payment of money, acceptances, notes or other evidences of indebtedness, to enter into contracts or to execute and deliver other documents and instruments.

Section 7.2 Investments

The funds of the Corporation may be retained in whole or in part in cash or be invested and reinvested from time to time in such property, real, personal or otherwise, including stocks, bonds or other securities, as the Board of Directors may deem desirable.

Section 7.3 No Loans to Officers or Directors

No loans shall be made by the Corporation to its Directors or Officers. The Directors of the Corporation who vote for or assent to the making of a loan to a Director or Officer of the Corporation, and any Officer or Officers participating in the making of such loan, shall be jointly and severally liable to the Corporation for the amount of such loan until the repayment thereof.

ARTICLE VIII

FISCAL YEAR AND AUDITORS

Section 8.1 Fiscal Year

The fiscal year shall begin on the first day of January and shall end on the last day of December each year, unless the Board of Directors otherwise determines.

Section 8.2 Auditors

The Board of Directors may appoint a firm of independent auditors to review or compile the books of account of the Corporation and to report not less than annually on the financial condition of the Corporation. The Board of Directors may direct the performance of an audit at any time.

ARTICLE IX

ACTION WITHOUT PERSONAL ATTENDANCE AT MEETING

Section 9.1 Participation by Telecommunications Device

Any or all Directors may participate in a meeting of the Board of Directors, or a committee thereof, by any means of telephonic, electronic or other form of communication by which all Directors participating in the meeting are able to hear one another, and such participation shall constitute presence in person at the meeting.

Section 9.2 Written Consent of Board of Directors

Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent in writing to such action. Such written consent or consents shall be delivered to the Corporation by delivery to the Secretary-Treasurer or Chairman by hand, mail, fax or e-mail.

Section 9.3 Written Consent of Members

Any action required or permitted to be taken at any meeting of the Members may be taken without a meeting, without prior notice, and without a vote if a consent or consents in writing, setting forth the action taken, is signed by at least the minimum number of Members (or their proxies) entitled to vote on such action that would be necessary to take such action at a meeting. Such written consent or consents shall be delivered to the Corporation by delivery to the Secretary-Treasurer or Chairman by hand, mail, fax or e-mail.

ARTICLE X

COMPENSATION FOR SERVICES

Any Director, officer, employee or agent of the Corporation is authorized to receive a reasonable salary or other reasonable compensation for services rendered to the Corporation and reimbursement of expenditures reasonably incurred on behalf of activities for the benefit of the Corporation, in each case, when authorized by a majority of the Board of Directors in accordance with the Conflicts of Interest policy where applicable, and only when so authorized.

ARTICLE XI

CONFLICTS OF INTEREST

The Corporation's policy on Conflicts of Interest is appended as Attachment A hereto.

ARTICLE XII

INDEMNIFICATION

Section 12.1 Indemnification by Corporation

The Corporation may, in its discretion, indemnify its Directors, officers, employees, and any other individual permitted to be indemnified under the Delaware General Corporation Law to the fullest extent permitted by such law. No indemnification may be made to or on behalf of any such person if (a) his or her acts were committed in bad faith or were the result of his or her active and deliberate dishonesty and were material to such action or proceeding, or (b) he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

Section 12.2 Insurance

The Corporation shall have the power to purchase and maintain insurance to indemnify the Corporation for any obligation which it incurs as a result of its indemnification of Directors, officers and employees pursuant to Section 12.1 above, or to indemnify such persons in instances in which they may be indemnified pursuant to Section 12.1 above.

ARTICLE XIII

TECHNICAL WORKING GROUPS

Subject to Section 4.6(b), the Board of Directors may create, dissolve and appoint members to one or more Technical Working Groups (“Technical Working Groups”) for the purpose of researching security topics, developing standards and guidelines or for such other purposes as the Board of Directors deems appropriate. Founding Members, General Members and Associate Members shall be permitted to participate in and contribute to such Technical Working Groups. Each Technical Working Group shall have a Chair, who shall be a representative from one of the Founding Members or General Members. The Board of Directors may prescribe from time to time guidelines and procedures applicable to the Technical Working Groups, including any additional fees or dues to be charged to Members participating in such Technical Working Groups.

The guidelines and procedures prescribed hereunder by the Board of Directors shall ensure that (a) any Member may seek candidacy to participate in any Technical Working Group; (b) the number of participants in each Technical Working Group is reasonably commensurate to the Technical Working Group’s purpose; (c) the process for selecting participants in each Technical Working Group is transparent and fair to all candidates; (d) the composition of each working group reflects a balance of reasonable interests among all categories of Members; (e) Members whose candidacy to participate in a Technical Working Group is rejected receive an explanation of the basis for the rejection and are given an opportunity to appeal and be heard on the rejection decision; and (f) with respect to the development of standards and guidelines, each Technical Working Group operates by consensus, which means general agreement, but not necessarily unanimity, and includes a process for attempting to resolve objections by interested parties, as long as all comments have been fairly considered, each objector is advised of the disposition of his or her objection(s) and the reasons why, and Technical Working Group participants are given an opportunity to change their votes after reviewing the comments.

ARTICLE XIV

DISSOLUTION

In the event a dissolution is contemplated and approved to be undertaken by a majority of the Board of Directors, such action shall be submitted for approval by the Members at an annual or special meeting of the Corporation and shall comply with applicable provisions of the Delaware General Corporation Law. Dissolution shall require the affirmative approval of two-thirds (2/3) of the Members present and eligible to vote at such meeting.

In the event of the liquidation, dissolution, or winding up of the affairs of the Corporation, whether voluntary, involuntary, or by operation of law, the Board of Directors of the Corporation shall distribute the net assets in such manner consistent with the Corporation’s Bylaws and the laws of the State of Delaware; provided, however, that any such distribution of assets shall be calculated to carry out the objects and purposes of the Corporation.

ARTICLE XV

AMENDMENTS

Subject to Section 4.6(b), the Bylaws of the Corporation may be amended by a majority vote of the Board of Directors or a majority vote of the Founding Members.

I, _____, of the Secure POS Vendor Alliance Ltd. (the "Corporation"), hereby certify that the foregoing constitutes all of the provisions of the Bylaws of the Corporation, as currently in effect.

IN WITNESS WHEREOF, I hereunto subscribe my name and affix the seal of the Corporation this ____ day of _____, 2009.

_____(SEAL)

Name:

Title:

Attachment A - Conflicts of Interest Policy

In their capacity as directors and officers (collectively referred to as “Leaders”) of the Secure POS Vendor Alliance Ltd. (the “Corporation”), the Leaders must act at all times in the best interests of the Corporation. The purpose of this policy is to help inform the Leaders about what constitutes a conflict of interest, assist the Leaders in identifying and disclosing actual and potential conflicts, and help ensure the avoidance of conflicts of interest where necessary. This policy may be enforced against individual Leaders as described below.

Leaders have a fiduciary duty to conduct themselves without conflict to the interests of the Corporation. In their capacity as Leaders, they must subordinate personal, individual business, third-party, and other interests to the welfare and best interests of the Corporation.

A conflict of interest is a transaction or relationship which presents or may present a conflict between a Leader’s obligation to the Corporation and the Leader’s personal, business or other interests.

All actual and potential conflicts of interests shall be disclosed by Leaders to the Board of Directors through the annual disclosure form and/or whenever a conflict arises. With respect to each Leader and his/her family, the following must be disclosed: (1) all financial transactions with the Corporation; (2) all interests in third parties that provide goods or services to the Corporation; (3) active involvement, significant investment, or an ownership interest that exceeds 1% in any other (nonprofit or for-profit) organization that may have potentially conflicting interests with the Corporation; (4) all paid or unpaid positions or relationships with nonprofit or for-profit third-party organizations that compete with the Corporation, or take public positions contrary to those of the Corporation; and (5) any relationship in which the Leader is uncertain as to whether a conflict of interest or potential exists.

All conflicts of interest are not necessarily prohibited or harmful to the Corporation. After full disclosure, the disinterested members of the Board of Directors shall make a determination as to whether a conflict exists and what subsequent action is appropriate (if any), and to enforce such action.

On an annual basis, all Leaders shall be provided with a copy of this policy and required to complete and sign the acknowledgment and disclosure form below. All completed forms shall be provided to and reviewed by the Board of Directors.

The Board may delegate it’s responsibilities under this Policy to a committee, which may make recommendations; provided, however, the Board shall retain the authority to adopt, modify or reject any such recommendation, and shall retain the ultimate enforcement authority with respect to the interpretation and application of this Policy.

* * * * *

