

EUROPEAN STABILITY MECHANISM
RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

Article 1

Hierarchy of Rules

1. These are the Rules of Procedure of the Board of Directors (the “Board”) of the European Stability Mechanism (the “ESM”) adopted pursuant to Articles 5(7)(c) and 6(8) of the Treaty Establishing the European Stability Mechanism signed in Brussels on 2 February 2012 (the “Treaty”).
2. In the event of a conflict between any provision of these Rules of Procedure and any provision of the Treaty or the by-laws of the ESM (the “By-Laws”), the provision of the Treaty or of the By-Laws, as the case may be, shall prevail.
3. In these Rules of Procedure, and unless otherwise specified herein, capitalised terms shall have the same meanings as ascribed to them in the Treaty and in the By-Laws, and the terms “qualified majority” and “simple majority” shall have the same meanings as ascribed to them by Article 4(5) and (6) of the Treaty.

Article 2

Organisation of Meetings

1. Without prejudice to Article 6(1) of the By-Laws, the Board shall meet regularly in accordance with a schedule that it shall determine in good time before the start of each calendar year.
2. Except as otherwise specifically directed by the Board, the Managing Director shall have charge of all arrangements for the organisation of meetings of the Board.

Article 3

Attendance

1. Except as provided in paragraphs 2 and 3 below, attendance at meetings of the Board shall be restricted to:
 - (a) the Managing Director, the Directors and the alternate Directors; and
 - (b) as observers:

- (i) the observers appointed by the Member of the European Commission in charge of economic and monetary affairs and by the President of the European Central Bank or their respective alternates;
 - (ii) the President of the Eurogroup Working Group;
 - (iii) the persons invited pursuant to Article 6(3) and (4) of the Treaty; and
 - (iv) the Secretary General of the ESM, the person designated to serve as secretary of the meeting, the person responsible for the legal affairs of the ESM and any other member of the Management Board.
2. Each of the persons referred to in paragraph 1(a) and (b)(i) above, as well as, in their absence, their respective alternates may be accompanied by one aid. The Managing Director may authorise the presence of more than one aid in appropriate circumstances.
3. Absent special circumstances, the Managing Director shall invite the chairperson and/or the rapporteur of the relevant Board committee to attend that part of the meeting in which such committee's report is considered.

The Managing Director may also invite experts to attend part or all of any given meeting of the Board.

Article 4 *Advance Distribution of Documents*

1. The following documents shall be sent in advance of any meeting of the Board in accordance with Article 6(6) of the By-Laws:
 - (a) any proposals for consideration at the relevant meeting;
 - (b) any reports of the Managing Director, the relevant Board committee or the Board of Auditors on the basis of which such proposals are to be considered;
 - (c) any proposed amendments to said proposals that Directors may wish to submit in advance of the meeting; and
 - (d) any procedural motions to said proposals that Directors may wish to submit in advance of the meeting.
2. The documents referred to in paragraph 1(a) and (b) above shall be sent no later than seven calendar days prior to the date set for the meeting, and the documents referred to in paragraph 1(c) and (d) above no later than three calendar days before said date. The Managing Director may shorten these minimum time periods in urgent cases.

Article 5
Organisation of Debate

1. The Managing Director or, in his or her absence, the Director designated to preside over the meeting (the “Chair”) shall establish the list of those wishing to speak on matters under consideration.
2. The Chair shall call upon speakers in the order in which they signify their wish to speak, except that:
 - (a) the rapporteur of the relevant committee may be accorded precedence for the purpose of explaining the conclusions of the report on the basis of which the relevant proposal is being considered; and
 - (b) a Director or his or her alternate shall have a prior right to speak if he or she asks leave to raise a point of order or to move a procedural motion in relation to the matter under consideration.
3. The Chair may, in the interest of an orderly debate, limit the time allowed to each speaker and the number of times each person may speak on any matter.

Article 6
Points of Order and Procedural Motions

1. Any Director or his or her alternate may raise a point of order during any meeting of the Board. Points of order must be confined to questions of procedure for a ruling from the Chair.
2. Any Director or his or her alternate may table a procedural motion calling for a decision by the Board:
 - (a) to rule on the competence of the Board to adopt a decision on the matter under consideration;
 - (b) to defer the debate on a particular matter until a subsequent meeting of the Board or until one or more specified conditions relating to such matter are fulfilled;
 - (c) to close the debate on a particular matter;
 - (d) to divide a particular proposal or amendment; or
 - (e) to suspend or adjourn the meeting.
3. The Board of Directors shall decide on procedural motions by qualified majority.
4. The procedural motions referred to in paragraph 2(b) and (e) above are inadmissible in matters subject to the emergency voting procedure pursuant to Article 4(4) of the Treaty.

Article 7

Division of Proposals or Amendments

If a motion for division is carried, parts of the relevant proposal or amendment, as the case may be, shall be put to a vote separately. Those parts of the proposal or the amendment which are approved shall then be put to a vote as a whole. If all operative parts of the proposal or the amendment have been rejected, the proposal or the amendment shall be deemed to be rejected as a whole.

Article 8

Order of Voting

1. Procedural motions shall have precedence over all other proposals and shall be put to a vote according to the following order of priority:
 - (a) a motion to suspend the meeting;
 - (b) a motion to adjourn the meeting;
 - (c) a motion to rule on the competence of the Board to adopt a decision on the matter under consideration;
 - (d) a motion to defer the debate on such matter;
 - (e) a motion to close the debate on such matter.
2. As between a proposal and an amendment thereto, the amendment shall be voted on first.

When two or more amendments are tabled in relation to the same proposal, the Board shall first vote on the amendment furthest removed in substance from the original proposal and then on the amendment next furthest removed therefrom and so on, until all the amendments have been voted upon. In case of doubt as to the sequence, the Chair shall rule on the order to be followed.

If one or more amendments are adopted, the amended proposal shall then be voted upon.

Article 9

Voting

1. The Chair may ascertain the sense of the meeting in lieu of a formal vote. A formal vote shall, however, be taken whenever requested by any Director or his or her alternate.
2. Voting shall ordinarily be by show of hands.

At the request of any Director or his or her alternate, a vote shall be taken by roll call. The votes shall then be called in the English alphabetical order of the names of the

ESM Members, beginning with the ESM Member whose name is drawn by lot by the Chair. The vote of each Director or his or her alternate shall be recorded in the minutes of the meeting.

Article 10

Participation in Meetings through Electronic Mode

1. The notice of the meeting and the invitation referred to in Article 6(4) of the By-Laws shall specify the audio or audio-visual electronic communication facility that is available to participate in the meeting of the Board through electronic mode, as well as the necessary information to enable Directors, alternate Directors and persons invited as observers to access such facility.
2. Directors, alternate Directors and persons invited as observers who wish to participate in a given meeting of the Board through electronic mode shall advise the Secretary General of the ESM thereof by express courier, fax or electronic mail no later than 24 hours before the meeting, except in urgent cases when they shall advise the Secretary General as soon as possible.
3. Whenever persons participate in a meeting through electronic mode, the Chair shall, at the start of the meeting and whenever the meeting resumes after a suspension, make a roll call to confirm the identities of the persons so participating, to ensure that they can communicate clearly with the other participants and to verify that no unauthorised person is participating in the meeting.

Article 11

Voting without Meeting

1. For the adoption of decisions by written procedure pursuant to Article 7 of the By-Laws, Directors or their alternates may cast their vote by signing the relevant motion and returning it to the Secretary General of the ESM by express courier, fax or electronic mail within 15 calendar days from transmission of the motion soliciting the vote.
2. In case of urgency duly justified in the motion soliciting the vote, the Managing Director may shorten the period prescribed for voting to three calendar days.

Article 12

Amendment of these Rules of Procedure

These Rules of Procedure may be amended from time to time by the Board of Governors acting by qualified majority.