



E N T E R P R I S E S

BYLAWS of MICROCREDIT ENTERPRISES

A California nonprofit public benefit Corporation

ARTICLE I OFFICES, REGISTERED AGENT

1. Offices. The principal office of MicroCredit Enterprises (the "Corporation") shall be located in Sacramento, California. The Corporation may have such other offices, either within or without the State of California, as the Board of Directors (the "Board") may determine or as the affairs of the Corporation may require from time to time.
2. Registered Agent. The Corporation shall have and continuously maintain in the State of California a registered office and a registered agent whose office is identical with such registered office. The registered office may be, but need not be, identical with the principal office in the State of California, and the address of the registered office may be changed from time to time by the Board.

ARTICLE II OBJECTIVE AND PURPOSE

3. Specific Objectives and Purposes. The object and purposes of the Corporation shall be as set forth in the Corporation's Articles of Incorporation, as amended from time to time (the "Articles of Incorporation"). The specific objectives and purposes of this Corporation shall be: (i) to reduce poverty by mobilizing private investment capital to finance microbusinesses of poor families in developing countries, (ii) produce jobs, sustain microbusinesses and improve human lives throughout the developing world; and (iii) to undertake any incident or ancillary activities to further the general purposes of the Corporation, as determined by the Board.

ARTICLE III BOARD OF DIRECTORS

4. General Powers. The affairs, activities and property of the Corporation shall be managed, directed and controlled by and its power exercised by and vested in the Board. Directors of the Board need not be residents of the State of California.

5. Number, Tenure and Qualifications. The number of directors shall be not less than three (3) nor more than eight (8); and the exact number of directors shall be fixed by approval of the Board. Each director shall hold office for a term of one (1) year and until his or her successor is elected and duly qualified. When not so designated, the number of directors shall be three (3).
6. Election of Directors. The initial Board of the Corporation shall be elected by the Incorporator or Incorporators of the Corporation. Thereafter, directors shall be designated to serve on the Board by the vote of a majority of the directors then serving on the Board, or by selection of the sole remaining director.
7. Voting by the Board. Directors shall be entitled to vote on all matters which provide for a vote of the Board. The vote of all directors of the Board shall be equal.
8. Majority Required. Except as otherwise provided and delegated to the officers, a majority of the Board is required for any action.
9. Regular Meetings. A regular annual meeting of the Board shall be held without other notice than this bylaw. The Board may provide by resolution the time and place, either within or without the State of California, for the holding of additional regular meetings of the Board without other notice than such resolution.
10. Special Meetings. Special meetings of the Board may be called by or at the request of the Chairperson of the Board, the President, any Vice President, the Secretary/Chief Operating Officer, or any two directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the State of California, as a place for holding any special meeting of the Board called by them.
11. Meetings - Written Consent. Action of the Board may be accomplished with or without a meeting. If a meeting is held, evidence of the action shall be by minutes or resolution reflecting the action of the meeting, signed by a majority of the Board or by either the President or the Secretary/Chief Operating Officer. Action without a meeting may be evidenced by a written consent signed by the Board having not less than the minimum number of votes required to take such action. For purposes of this Section only, "all of the directors" shall not include an "interested director" as defined in Section 5233 of the California Nonprofit Corporation Law.
12. Meetings - Participation by Conference Telephone. Directors may participate in a meeting through use of conference telephone, electronic video screen communication or similar communications equipment, so long as all of the following apply: (a) each director participating in the meeting can communicate with all the other directors concurrently; and (b) each director is provided the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Corporation; and (c) the Corporation adopts and implements from means of verifying both of the following: (i) a person communicating by telephone, electronic video equipment or other communications equipment is a director entitled to participate in the board meeting; and (ii) all statements, questions, actions, or votes were made by that director and not by another person not permitted to participate as a director. Participation in a meeting pursuant to thi bylaw shall constitute presence in person

at such meeting.

13. Meetings - Calling Meetings; Notice and Waiver. Meetings of the Board may be called by any officer, or, in the case of a committee, if any, by the chairman of the committee, or any officer of the Corporation. A notice of the place, date and time and the purpose or purposes of each meeting of the Board or any committee shall be given to each director (or each committee member) by mailing the notice at least two (2) days before the meeting, or by electronic transmission, telecopy or personal delivery of the notice, not later than the day before the day of the meeting. Notices to directors that are sent by electronic transmission shall be sent to the e-mail address specified by such director on (or at such e-mail address as is otherwise specified in a written notice from the director to the Corporation), and shall be effective upon delivery to or receipt by the director of such e-mail. Meetings may be held at any time without notice if a majority of the directors (or committee members) are present or if a majority of directors or committee members waive notice of the meeting in writing. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting with the express purpose of objecting to the transaction because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws. All waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.
14. Quorum. A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than a majority of the directors are present at such meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. If the meeting is adjourned for more than 24 hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of adjournment.
15. Manner of Acting. The act of a majority of the Board present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number of directors is required by law or by these Bylaws.
16. Vacancies. Any vacancy occurring on the Board and any directorship to be filled by reason of an increase in the number of directors may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board, or by a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.
17. Compensation. Directors as such shall not receive any stated salaries for their services, but by a resolution of the Board, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; but nothing contained herein shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.
18. Liability of Directors. Except as provided in Section 5233 of the California Nonprofit

Corporation Law, a person who performs the duties of a director in accordance with Section 5231 (a) and (b) of the California Nonprofit Corporation Law shall have no liability based on any alleged failure to discharge that person's obligations as a director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which the Corporation, or assets held by it, are dedicated.

19. Director Only Powers. Notwithstanding any other provision of these Bylaws, only a majority of the Directors may authorize the Corporation to incur debt, expend funds, or otherwise obligate the Corporation if the debt, expenditure, or other obligation exceeds \$100,000.

ARTICLE IV OFFICERS

20. Officers. The officers of this Corporation shall be a President/Chief Executive Officer, one or more Vice Presidents, a Secretary/Chief Operating Officer, a Treasurer/Chief Financial Officer and such other officers as may be elected in accordance with the provisions of this Article. The Board may elect or appoint such other officers, including one or more Assistant Secretaries and one or more Assistance Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board. Any two or more offices may be held by the same person, except neither the Secretary nor the Treasurer/Chief Financial Officer may serve concurrently as the President or Chairperson of the Board.
21. Election and Term of Office. The officers of the Corporation shall be elected annually by a majority of the Board at the regular annual meeting of the Board. New offices may be created and filled at any meeting of the Board. Each officer shall hold office until the earlier of his/her: death, resignation, removal from office, or appointment or election of a successor. Election or appointment of an officer or agent does not create a contract right.
22. Resignation. Any officer may resign at any time by delivering a written notice to the Secretary or President of the Corporation. The acceptance of such resignation by the Board, unless required by the terms thereof, shall not be necessary to make the same effective.
23. Removal. Any officer elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any of the officer so removed.
24. Vacancies. A vacancy in any office may be filled by the Board for the unexpired term.
25. President/Chief Executive Officer. The President shall be the chief executive officer and chairman of the Board of the Corporation. The President may also use the designation "Executive Director". He/she shall supervise and control all of the business and affairs of the Corporation. The President/Chief Executive Officer shall preside at all meetings of the Board. The President shall have all powers and perform all duties specified in these Bylaws including: signing, with the Secretary or

any other proper officer of the Corporation authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws or by statute to some other officer or agent of the Corporation; and in general the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

26. Vice President. In the absence of the President or in the event of the inability or refusal to act, the Vice President (or in the event there shall be more than one Vice President, the Vice Presidents in the order of their election), shall perform the duties of the President, and when so acting, shall have all of the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to such Vice President by the President or by the Board.
27. Treasurer/Chief Financial Officer. The Treasurer/Chief Financial shall have (i) charge and custody of and be responsible for all funds and securities of the Corporation; (ii) receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VI of these Bylaws; and (iii) in general perform all the duties incident to the office of Treasurer/Chief Financial Officer and such other duties as from time to time may be assigned or him or her by the President or by the Board.
28. Secretary/Chief Operating Officer. The Secretary/Chief Operating Officer shall (i) keep the minutes of the meetings of the Board in one or more books provided for that purpose; (ii) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (iii) be custodian of the corporate records and seal of the Corporation and see that, when required by law, the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; (iv) keep a register of the mailing and email addresses of the Board members which shall be furnished to the Secretary by each Board member; and (v) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board.
29. Assistant Treasurers and Assistant Secretaries. The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer/Chief Financial Officer or the Secretary or by the President or the Board.
30. Records. Officers of the Corporation shall make available for inspection at reasonable times to the Board all official records of the Corporation for which they are responsible. Upon leaving office, each officer shall turn over to his or her successor in good order such moneys, books records, documents and other property of the Corporation as have been in his or her custody during his or her term of office.

ARTICLE V COMMITTEES

31. Committees of Directors. The Board, by resolution adopted by majority of the directors in office, may designate and appoint one or more committees, each of which shall consist of two or more directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board in the management of the Corporation, except that no such committee shall have the authority of the Board in reference to amending, altering, or repealing the Bylaws; electing, appointing or removing any members of . such committee or any director or officer of the Corporation; amending the Articles of Incorporation; restating Articles of Incorporation; adopting a plan or merger or adopting a plan of consolidation with another Corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking proceedings therefor; adopting a plan for the distribution of assets of the Corporation; or amending, altering or repealing any resolution of the Board which by its terms provided that it shall not be amended, altered or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board or any individual director of any responsibility imposed upon it or such director by law.
32. Other Committees. Other committees not having and exercising the authority of committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board or any individual director of any responsibility imposed upon it or such director by law.
33. Term of Office. Each member of a committee shall continue as such until the next annual meeting of the Board and until his or her successor is elected and duly qualified, unless the existence of the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.
34. Chairperson. One member of each committee shall be appointed chairperson by the person or persons authorized to appoint the members thereof.
35. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.
36. Quorum. Unless otherwise provided in the resolution of the Board designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.
37. Rules. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board.

**ARTICLE VI
CONTRACTS, CHECKS, DEPOSITS AND FUNDS**

38. Contracts. The Board may authorize any officer or officers, agent or agents of the Corporation, in addition to officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.
39. Checks, Drafts, Etc. All checks, drafts or orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer/Chief Financial Officer or an Assistant Treasurer and countersigned by the President or a Vice President of the Corporation.
40. Deposits. All funds of this Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may select.
41. Gifts. The Board may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

**ARTICLE VII
BOOKS AND RECORDS**

42. Maintenance of Corporate Records. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board and committees having any of the authority of the Board. The financial records and all other corporate records, and the minutes of all meetings of the Board and all other committees of the Corporation shall be kept at the principal office of the Corporation and shall be open to inspection upon oral or written request of any director.
43. Directors' Inspection Rights. Every director shall have the right upon reasonable demand and for reasonable purpose to inspect and copy, at such director's expense, all books, records and documents of every kind of the Corporation.
44. Annual Report. The Board shall cause an annual report to be furnished not later than 120 days after the close of the Corporation's fiscal year to all directors of the Corporation and, if the Corporation has members, to any member who requests it in writing, which report shall contain the following information in appropriate detail: (i) the assets and liabilities, including the trust funds of the Corporation as at the end of the fiscal year; (ii) the principal changes in assets and liabilities, including trust funds, during the fiscal year; (iii) the revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year; and (iv) the expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year.

The annual report shall be accompanied by any report thereon of independent accounts, or, if there is no such report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit and from the books and records of the Corporation.

ARTICLE VIII FISCAL YEAR

45. Fiscal Year. The Corporation's fiscal year shall end December 31 or such other date as may be fixed by the Board.

ARTICLE 10 WAIVER OF NOTICE

46. Waiver of Notice. Whenever any notice is required to be given under the provisions of the State of California's nonprofit corporation law or under the provisions of the Articles of Incorporation or of the Bylaws of this Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to such notice.

ARTICLE 11 DUTIES AND LIMITATION OF LIABILITY, OFFICERS, AND PERSONS SERVING ON ADVISORY COMMITTEES; INDEMNIFICATION

47. Duties of Directors: Limitation of Liability. The directors and officers shall perform their duties in good faith, in a manner they reasonably believe to be in the best interests of the Corporation, with such care as an ordinarily prudent person in a like position would use under similar circumstances. No director or officer, by reason of being or having been a director or officer, shall be liable to the Corporation or to any other director or officer for any loss or damage sustained by the Corporation or any other director or officer unless the loss or damage shall have been the result of fraud, deceit, gross negligence, willful misconduct, or a wrongful taking by that director or officer.
48. Directors and Officers Have No Exclusive Duty to the Corporation. No director or officer is required to participate in the Corporation as their sole and exclusive business. Directors and officers may have other business interests and may participate in other investments or activities in addition to those relating to the Corporation. No director or officer shall incur liability to the Corporation or to any other director by reason of participating in any such other business, investment or activity.
49. Protection of Directors, Officers and Certain Other Persons.
- a. As used here, the term "Protected Party" refers to the directors, the officers, and any partner, principal or employee of any law firm, accounting firm or professional services firm providing services on a pro bono basis.
 - b. A Protected Party acting under these Bylaws shall not be liable to the Corporation or to any other Protected Party for good faith reliance on:

- i. the provisions of these Bylaws;
 - ii. the records of the Corporation; and/or
 - iii. such information, opinions, reports or statements presented to the Corporation by any person.
- c. The provisions of these Bylaws restricting the otherwise existing duties and liabilities of a Protected Party to the Corporation or to any other Protected Party, replace such other duties and liabilities of the Protected Party.

50. Right to Indemnification.

- a. Any person who is or was a Protected Party of the Corporation and who is or may be a party to any civil action because of his/her participation in or with the Corporation, and who acted in good faith and in a manner which he/she reasonably believed to be in, or not opposed to, the best interests of the Corporation, shall be indemnified and held harmless by the Corporation.
- b. Any person who is or was a Protected Party of the Corporation and who is or may be a party to any criminal action because of his/her participation in or with the Corporation, and who acted in good faith and had reasonable cause to believe that the act or omission was lawful, shall be indemnified and held harmless by the Corporation.
- c. To the extent that a person who is, or was, a director, officer, employee or other agent of this Corporation has been successful on the merits in defense of any civil, criminal, administrative or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she is, or was, an agent of the Corporation, or has been successful in defense of any claim, issue or matter, therein, such person shall be indemnified to the full extent permitted by law against expenses actually and reasonably incurred by such person in connection with such proceeding.
- d. If such person either settles any such claims or sustains a judgment against him or her, then indemnification against expenses, judgments, fines, settlements and other amounts reasonably incurred in connection with such proceeding shall be provided by the Corporation but only to the extent allowed by, and in accordance with, Section 5238 of the California Nonprofit Public Benefit Corporation Law.

51. Non-Exclusivity of Rights. The right to indemnification conferred in this section shall not be exclusive of any right which any person may have or hereafter acquire under any statute, provision of these Bylaws, contract, agreement, vote of the Board or otherwise. The directors and officers are authorized to adopt and enter into indemnification agreements for directors, officers and other Protected Parties provided such agreement complies with Section 5238 of the California Nonprofit Public Benefit Corporation Law.

52. Approval of Indemnity. Any indemnification under this Section shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 5238(b) and (c) of the

California Nonprofit Corporation Law, by a majority vote of a quorum of the Board consisting of directors who are not parties to such proceedings or as otherwise set forth in Section 5238 of the California Nonprofit Corporation Law.

53. Advancement of Expenses. Expenses incurred in defending any proceedings may be advanced by the Corporation prior to the final disposition of such proceeding upon receipt of any undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in Section 5238 of the California Nonprofit Corporation Law.
54. Insurance. The Board may cause the Corporation to purchase and maintain insurance for the Corporation, for any Protected Party, or on behalf of any third party whom the Board determines should receive such insurance coverage.
55. Indemnification-Excess. The indemnity provided herein shall be in excess of all valid and collectible insurance or indemnity policies.
56. Effect of Amendment. No amendment, repeal or modification of this Article shall adversely affect any rights created prior to the effective date of such amendment, repeal or modification.

ARTICLE XIII AMENDMENT OF ARTICLES OF INCORPORATION

57. Amendment of Articles Before Admission of Members. Before any members have been admitted to the Corporation, any amendment of the Articles of Incorporation may be adopted by the approval of the Board.
58. Amendment of Articles After Admission of Members. After members, if any, have been admitted to the Corporation, amendment of the Articles of Incorporation may be adopted by the approval of the Board and by the approval of the members of the Corporation.
59. Certain Amendments. Notwithstanding the above Sections of this Article, this Corporation shall not amend its Articles of Incorporation to alter any statement which appears in the original Articles of Incorporation of the names and addresses of the first directors of this Corporation, nor the name and address of its initial agent, except to correct an error in such statement or to delete such statement after the Corporation has filed a "Statement by Domestic Non-Profit Corporation" pursuant to Section 6210 of the California Nonprofit Corporation Law.

ARTICLE XIV PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

60. Prohibition Against Sharing Corporate Profits. No member, director, officer, employee or other person connected with this Corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation; provided, however, that this provision shall not prohibit payment to any such person of reasonable compensation for services performed for the Corporation in effect of any of its public or charitable purposes, provided further that such compensation is otherwise permitted by these Bylaws and fixed by resolution of the Board.

61. Distribution of Corporate Assets Upon Dissolution. No such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on dissolution of the Corporation. All members, if any, of the Corporation shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the affairs of the Corporation, whether voluntarily or involuntarily, the assets of the Corporation, after all debts have been satisfied, shall be distributed as required by the Articles of Incorporation of this Corporation and not otherwise.

ARTICLE XV MEMBERS

62. No Members. This Corporation shall have no members.

63. Approval of Board. Pursuant to Section 5310(b) of the Nonprofit Public Benefit Corporation Law of the State of California, any action which would otherwise, under law or the provisions of the Articles of Incorporation or Bylaws of this Corporation, require approval of the majority of all members or approval by the members, shall only require the approval of the Board.

ARTICLE XVI MISCELLANEOUS PROVISIONS

64. Amendment. Except as otherwise provided in these Bylaws, any amendment, modification or restating of these Bylaws may be approved in writing by a majority of the directors or at any regular or special meeting of the Board.

65. Interpretation of Bylaws. Unless defined differently herein or unless the context requires a different meaning, terms used in these Bylaws shall have the same meaning as may be given to them in the California Nonprofit Public Benefit Corporation Law, as amended from time to time. To the extent possible, these Bylaws shall be construed as supplemental to all laws applicable to the same subject matter and shall be fully complied with unless such compliance shall be illegal.

66. Applicable Law. To the extent permitted by law, this Agreement shall be construed in accordance with and governed by the laws of the State of California.

67. Pronouns, Etc. References to a director, including by use of a pronoun, shall be deemed to include masculine, feminine, singular, plural, individuals, partnerships or corporations where applicable.

68. Method of Notices. All written notices required or permitted by these Bylaws (other than notices of meetings, which shall be delivered as specified) shall be hand delivered or sent by registered or certified mail, postage prepaid, addressed to the Corporation at its place of business or to a director as set forth on Appendix A to these Bylaws (or at such address as is otherwise specified in a written notice by the director to the Corporation), and shall be effective when personally delivered or, if mailed, on the date set forth on the receipt of registered or certified mail. Notwithstanding the foregoing, notices to directors may also be sent to directors at

the e-mail address specified by such member on Appendix A (or at an e-mail address otherwise specified in a written notice by the director to the Corporation), and shall be effective upon delivery to or receipt by the director.

69. Facsimiles. For purposes of these Bylaws, any copy, facsimile, telecommunication or other reliable reproduction of a writing, transmission or signature may be substituted or used in lieu of the original writing, transmission or signature for any and all purposes for which the original writing, transmission or signature could be used, provided that such copy, facsimile telecommunication or other reproduction shall have been confirmed received by the sending party.