



*Empowered lives.  
Resilient nations.*

## **UNDP Microfinance Project**

### **Sustainable Microfinance to Improve the Livelihoods of the Poor (MYA/01/004)**

#### **ASSET AND LIABILITY TRANSFER AGREEMENT**

**By and Among**

**UNITED NATIONS DEVELOPMENT PROGRAM,**

**PACT INC.,**

**PACT INSTITUTE,**

**AND**

**PACT GLOBAL MICROFINANCE FUND**

4<sup>th</sup> JUNE 2014

## **Acronyms and Abbreviations**

CPAP	:	Country Program Action Plan
CPD	:	Country Program Document
DANIDA	:	Danish International Development Agency
DFID	:	Department for International Development, UK
HDI	:	Human Development Initiatives Program
IP	:	Implementing Partner
LIFT	:	Livelihoods and Food Security Trust Fund
MFI	:	Microfinance Institution
MFP	:	UNDP Microfinance Project
MMSE	:	Myanmar Microfinance Supervisory Enterprise
MoU	:	Memorandum of Understanding
NGO	:	Non-Government Organization
PGMF	:	Pact Global Microfinance Fund
SSID	:	Small Scale Industries Department
UNDP	:	United Nations Development Program
UNOPS	:	United Nations Office for Project Services
USAID	:	U.S. Agency for International Development

## ASSET AND LIABILITY TRANSFER AGREEMENT

**AGREEMENT** dated 4 June 2014, by and among the United Nations Development Program, an international intergovernmental organization, having its Headquarters in New York, New York 10017 (“**UNDP**”), Pact Inc., a nonprofit corporation formed under the laws of the District of Columbia, Pact Institute, a nonprofit corporation formed under the laws of the District of Columbia, and Pact Global Microfinance Fund, a Delaware non-stock corporation (“**PGMF**”). UNDP, Pact Inc., Pact Institute and PGMF are hereinafter collectively referred to as the “**Parties**” and individually as a “**Party**”.

### **RECITALS:**

Whereas, since 1997, UNDP has funded a project identified as the “Sustainable Microfinance to Improve the Livelihoods of the Poor” (“**the Microfinance Project**”) under the Human Development Initiative (“**HDI**”) for Myanmar, as set forth in Annex A.

Whereas the Danish International Development Agency (DANIDA), the Department for International Development (DfID), the Livelihoods and Food Security Trust Fund with United Nations Office for Project Services as trust fund manager (LIFT/UNOPS) and the U.S. Agency for International Development (USAID) (with UNDP collectively, the “**Funders**”) have provided additional funding to UNDP for the Microfinance Project, as set forth in Annex A;

Whereas Pact Institute has been an implementing partner of the Microfinance Project since 1997 and the principal implementing partner since signing the Microfinance Project cooperation agreement entered into by and between UNDP and Pact Institute on March 30, 2009 (the “**Project Cooperation Agreement**”), and whereas Pact Institute has also implemented other donor-funded microfinance projects in Myanmar during the past 16 years;

Whereas Pact Institute today operates in Myanmar with 1,850 staff across 104 branches in 25 townships (as of December 31, 2013);

Whereas PGMF was incorporated in the State of Delaware on February 10, 2012, as a not-for-profit company controlled by the USA-based Board of Directors of Pact Inc. to engage in activities that support the mission of Pact worldwide;

Whereas PGMF was granted an operating license as a deposit-taking MFI by the Myanmar Microfinance Supervisory Enterprise on June 22, 2012 and signed a

Memorandum of Understanding with the Small Scale Industry Department (SSID) of the Ministry of Cooperatives on 25th January 2013;

Whereas PGMF operates in Myanmar with 770 staff across 34 branches in 25 townships (as of December 31, 2013);

Whereas UNDP's stated development objective of the Microfinance Project is to develop sustainable domestic microfinance capacity in selected townships of HDI to contribute to poverty alleviation so that poor and low-income households – and women entrepreneurs in particular – can increase their living standards by having sustainable access to demand-oriented microfinance services in their communities;

Whereas, as stated in the 7<sup>th</sup> amendment to the Project Cooperation Agreement dated May 10, 2012, “all assets and liabilities provided to the NGO (Pact Institute) by UNDP as of 20 January 2009 (or as per date of closure of accounts by previous Implementing Partner and transfer of funds) [plus] loan funds that will be provided during the contract period, the retained earnings accrued thereon [plus] and client savings *shall not be the property of Pact Institute*, as the aforementioned asset and liabilities are held on trust in accordance with the terms of the project documents for the benefit of the beneficiaries of the microfinance project. At the completion or termination of the Contract, Pact Institute (the NGO) shall, after express written agreement with UNDP, hand over the assets and liabilities to the three operations [of the Microfinance Project] [plus] or to a follow-up UNDP project” (emphasis added).

Whereas UNDP wishes to transition its involvement in the microfinance sector work from providing capital for selected microfinance providers to supporting growth and development of a robust and sustainable rural financial sector;

Whereas PGMF has been selected by the Funders as the transferee of the Microfinance Project Assets and Liabilities;

Whereas the Borrowers under the Microfinance Project who have loans outstanding as of the date of this Agreement will be notified of the transfer of the Project to PGMF by means of a joint letter from Pact and UNDP in English and Myanmar, introduced by loan officers in client center meetings, countersigned by each center chief, with a copy of the signed letter kept in the village;

Whereas the Government of Myanmar has acknowledged and consented to the transfer of the Microfinance Project to PGMF as evidenced by a Memorandum of Understanding entered into by the Government and UNDP dated 4 June 2014, as shown in Annex B;

Whereas the Funders have agreed to the transfer of the Microfinance Project to PGMF as evidenced by their written acknowledgement of this agreement and shall, through the Transition Oversight Committee established by them, be in a position to ensure that

PGMF undertakes the work necessary to ensure satisfaction of the conditions to transfer set forth in this Agreement;

Whereas the Project Cooperation Agreement shall be terminated upon the Closing and any funds not yet disbursed thereunder, including funds provided by any of the Funders, shall be disbursed to PGMF pursuant to an agreement entered into by and between PGMF and any such Funder(s);

NOW, THEREFORE, the Parties hereby agree as follows:

## ARTICLE 1

### DEFINITIONS

For purposes of this Agreement, the following terms shall have the meanings indicated below and such meanings shall be equally applicable to both the singular and plural forms thereof:

- 1.1. **Agreement.** "Agreement" shall mean this Asset and Liability Transfer Agreement, including all Annexes and Schedules attached hereto, as the same may be amended from time to time.
- 1.2. **Beneficiaries of the Microfinance Project.** "Beneficiaries of the Microfinance Project" are, as stated in the Prodoc, as defined herein, the "poor and low-income households that can increase their living standards by having sustainable access to demand-oriented microfinance services in their communities," with a priority on women entrepreneurs.
- 1.3. **Borrower.** "Borrower" shall mean any individual or legal person who received a loan under the Microfinance Project.
- 1.4. **Client Savings.** "Client Savings" shall mean the aggregate amount of savings of clients of the Microfinance Project held by Pact Institute at any time.
- 1.5. **Closing.** "Closing" shall mean the consummation of the transactions contemplated by Article 2 of this Agreement.
- 1.6. **Closing Date.** "Closing Date" shall mean the date of the Closing, as determined in accordance with Section 2.4.
- 1.7. **Fixed Assets and Equipment.** "Fixed Assets and Equipment" shall mean all furnishings, furniture, fittings, equipment, machinery, computers, and other moveable property purchased for the Microfinance Project and held by Pact

Institute in trust for the benefit of the Beneficiaries of the Microfinance Project in accordance with the Project Cooperation Agreement, wherever located.

- 1.8. **Funders.** “Funders” shall have the definition given to it in the Recitals.
- 1.9. **Legal Requirements.** “Legal Requirements” shall mean all applicable Myanmar laws, regulations, rules, ordinances, codes, standards and rules of common law; judgments; and permits issued by any Myanmar government agency (including authorizations, approvals, registrations, and licenses) as applicable to Pact Inc, Pact Institute, and PGMF.
- 1.10. **Loan Portfolio.** “Loan Portfolio” shall mean the entire outstanding loan portfolio of the Microfinance Project.
- 1.11. **Material Contracts.** “Material Contracts” shall mean all existing contracts entered into by Pact Inc., Pact Institute and/or PGMF in connection with the Microfinance Project and of significant importance to the operation of the Microfinance Project, as listed on Schedules 4.1c and 4.3b.
- 1.12. **Microfinance Project.** “Microfinance Project” shall have the definition given to it in the Recitals.
- 1.13. **Party.** “Party” shall mean any of Pact Inc., Pact Institute, PGMF, or UNDP.
- 1.14. **Prodoc.** The “Prodoc” is the project document of 2002 (project number MYA/01/004) and the addenda thereto.
- 1.15. **Project Assets.** “Project Assets” shall mean the Loan Portfolio, Fixed Assets and Equipment, and cash referred to in Article 2.2.
- 1.16. **Project Cooperation Agreement.** “Project Cooperation Agreement” shall have the definition given to it in the Recitals.
- 1.17. **Project Liabilities.** “Project Liabilities” shall mean Client Savings and Third Party Liabilities referred to in Article 2.3.
- 1.18. **Real Property.** “Real Property” shall mean all land and buildings, structures, and immovable fixtures located thereon.
- 1.19. **Revenue Sharing.** “Revenue Sharing” shall mean the financial condition to the asset and liability transfer to PGMF to make specified payments based on its future revenue stream for the establishment of a microfinance sector development facility.

- 1.20. **Taxes.** "Taxes" shall mean all taxes, charges, fees, imposts, duties, withholdings or other assessments imposed by any governmental body.
- 1.21. **Third Party Liabilities.** "Third Party Liabilities" shall have the meaning set forth in Article 2.3(c) hereof.
- 1.22. **Transition Oversight Committee.** "Transition Oversight Committee" shall mean the provisional body established by the Funders to oversee PGMF's efforts to comply with its specific undertakings as set forth in Article 5 during the period from the Closing for at least one year or as agreed by the members of the said Committee, but in any event for no longer than five years or until all Revenue Sharing payments have been made, whichever happens first.

## ARTICLE 2

### TRANSFER OF ASSETS AND ASSIGNMENT OF LIABILITIES

#### 2.1 The Transaction

- (a) Subject to the terms and conditions hereof, UNDP shall, on the Closing Date, direct Pact Institute to transfer to PGMF the Project Assets described in Article 2.2 below and assign to PGMF the Project Liabilities described in Article 2.3 below, in the respective amounts as of December 31, 2013, effective as of January 1, 2014.
- (b) Upon transfer of the assets and assignment of the liabilities of the Microfinance Project to PGMF, PGMF shall assume the ownership of these and UNDP shall thereafter have no direct or indirect liability whatsoever with respect to these.

#### 2.2 Project Assets to be Transferred

- (a) The Loan Portfolio (as set forth in Schedule 2.2a), including all loan contracts and other relevant documentation.
- (b) Fixed Assets and Equipment (as listed on Schedule 2.2b), including all relevant documentation such as warranties, repair records, and any pledge documents related to such assets.
- (c) All cash (as stated on Schedule 2.2c), whether held in bank accounts or in physical form by Pact Institute, which will be provided by Pact Institute in the form of certified true copies of its bank account statement and accountancy books respectively.
- (d) All other assets (as stated on Schedule 2.2d).

## 2.3 Liabilities to be Assigned

- (a) The Client Savings, as set forth on Schedule 2.3a, and all relevant documentation with respect thereto.
- (b) All other liabilities (as stated on Schedule 2.3b).

## 2.4 The Closing

Subject to the provisions of Article 8, the Closing shall take place on 4 June 2014, or, if the conditions set forth in Article 6 shall have not been satisfied (or waived by UNDP) by such date, then on the date that the last of such conditions has been satisfied (or waived) or at such other date as may be mutually agreed upon by the Parties.

## 2.5 "Revenue sharing"

The amount of the 'revenue-sharing' payments are based on 50% of the net annual operational revenue on the total loan capital amount transferred (as specified in Annex A), using an average operational expense ratio (from the 2013-2016 PGMF business plan) of 11.8%. As shown in Annex C, this amounts to USD 12,683,181.40 to be paid in no more than 5 years in half-yearly installments of the Myanmar Kyat (MMK) equivalent of USD 1,268,318.14, calculated using the prevailing UN Treasury Operational Rate of Exchange at the date of this agreement (MMK 989 : USD 1 as from December 31, 2013<sup>1</sup>). This amounts to half-yearly installments of MMK 1,254,366,640 for a total over 5 years of MMK 12,543,666,405. The payments are due within 5 working days of the dates specified in Annex C. The details of how and where the payments will be made shall be informed in due course, before the due date of the first payment and in accordance to the notification details provided under Article 10 below.

## ARTICLE 3

### REPRESENTATIONS

#### 3.1. Representations of Pact Inc.

- (a) Pact Inc. is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the District of Columbia and has full power and authority to carry on its business as now conducted.

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<sup>1</sup> <http://treasury.un.org/operationalrates/Details.aspx?code=MMK&currency=Myanmar+Kyat&country=Myanmar>



- (b) Pact Inc. has full corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution, delivery and performance of its obligations under this Agreement have been duly and validly authorized by all necessary corporate action, none of which actions have been modified or rescinded and all of which actions are in full force and effect. This Agreement, when executed, will constitute the legal, valid and binding obligation of Pact Inc., enforceable in accordance with its terms.
- (c) The execution, delivery and performance by Pact Inc. of this Agreement do not and will not violate, conflict with, result in or constitute a breach of or default under its Certificate of Incorporation or By-laws or any agreement to which it is a party.
- (d) No consent, authorization, approval, filing or registration will be required of Pact Inc. in connection with the execution and delivery of this Agreement or the performance of its obligations hereunder.
- (e) Pact Inc. is in compliance with all material Legal Requirements and has not received any notice of an investigation, inquiry, complaint or other demand regarding the Microfinance Project or the Fixed Assets and Equipment.
- (f) Except as set forth on Schedule 3.1f, there is no litigation, proceeding, action, suit, investigation, arbitration, claim or dispute pending before any governmental body against Pact Inc. that (i) seeks to enjoin the transfer of the Microfinance Project or (ii) is reasonably possible of being decided adversely against Pact Inc. in such a manner as would materially and adversely affect Pact Inc.'s ability to perform any of its obligations under this Agreement.
- (g) No statement, information or representation made by Pact Inc. in this Agreement contains or will contain any untrue statement of material fact or omits or will omit a material fact the inclusion of which is required to make the statements contained herein not misleading.

### **3.2 Representations of Pact Institute**

- (a) Pact Institute is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the District of Columbia and has full power and authority to carry on its business as now conducted.
- (b) Pact Institute has full corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution, delivery and performance of its obligations under this Agreement have been duly and validly authorized by all necessary corporate action, none of which actions have been modified or rescinded and all of which actions are in full force and

effect. This Agreement, when executed, will constitute the legal, valid and binding obligation of Pact Institute, enforceable in accordance with its terms.

- (c) The execution, delivery and performance by Pact Institute of this Agreement do not and will not violate, conflict with, result in or constitute a breach of or default under its Certificate of Incorporation or By-laws or any agreement to which it is a party.
- (d) No consent, authorization, approval, filing or registration will be required of Pact Institute in connection with the execution and delivery of this Agreement or the performance of its obligations hereunder other than those set forth in Schedule 3.2d and those necessary after the Closing Date.
- (e) Pact Institute is in compliance with all material Legal Requirements and has not received any notice of an investigation, inquiry, complaint or other demand regarding the Microfinance Project or the Fixed Assets and Equipment.
- (f) Except as set forth on Schedule 3.2f, there is no litigation, proceeding, action, suit, investigation, arbitration, claim or dispute pending before any governmental body against Pact Institute that (i) seeks to enjoin the transfer of the Microfinance Project or (ii) is reasonably possible of being decided adversely against Pact Institute in such a manner as would materially and adversely affect Pact Institute's ability to perform any of its obligations under this Agreement.
- (g) No statement, information or representation made by Pact Institute in this Agreement contains or will contain any untrue statement of material fact or omits or will omit a material fact the inclusion of which is required to make the statements contained herein not misleading.

### **3.3 Representations of PGMF**

- (a) PGMF is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has full power and authority to carry on its business as now conducted.
- (b) PGMF has full corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution, delivery and performance of its obligations under this Agreement have been duly and validly authorized by all necessary corporate action, none of which actions have been modified or rescinded and all of which actions are in full force and effect. This Agreement, when executed, will constitute the legal, valid and binding obligation of PGMF, enforceable in accordance with its terms.

- (c) The execution, delivery and performance by PGMF of this Agreement do not and will not violate, conflict with, result in or constitute a breach of or default under its Certificate of Incorporation or By-laws or any agreement to which it is a party.
- (d) No consent, authorization, approval, filing or registration will be required of PGMF in connection with the execution and delivery of this Agreement or the performance of its obligations hereunder other than those set forth in Schedule 3.3d and those necessary after the Closing Date.
- (e) PGMF is in compliance with all material Legal Requirements and has not received any notice of an investigation, inquiry, complaint or other demand regarding the Microfinance Project or the Fixed Assets and Equipment.
- (f) Except as set forth on Schedule 3.3f, there is no litigation, proceeding, action, suit, investigation, arbitration, claim or dispute pending before any governmental body against PGMF that (i) seeks to enjoin the transfer of the Microfinance Project or (ii) is reasonably possible of being decided adversely against PGMF in such a manner as would materially and adversely affect PGMF's ability to perform any of its obligations under this Agreement.
- (g) No statement, information or representation made by PGMF in this Agreement contains or will contain any untrue statement of material fact or omits or will omit a material fact the inclusion of which is required to make the statements contained herein not misleading.

#### **3.4 Representations of UNDP**

- (a) UNDP is an international intergovernmental organization duly organized, validly existing and in good standing under international law and has full power and authority to carry on its business as now conducted.
- (b) UNDP has full corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution, delivery and performance of its obligations under this Agreement have been duly and validly authorized by all necessary corporate action, none of which actions have been modified or rescinded and all of which actions are in full force and effect, subject to UNDP's regulations, rules, policies and procedures. This Agreement, when executed, will constitute the legal, valid and binding obligation of UNDP, enforceable in accordance with its terms.

## ARTICLE 4

### WARRANTIES PENDING CLOSING

Pact Inc., Pact Institute and PGMF warrant the following, which applies specifically to the period beginning on the date of execution of this Agreement and ending on the date of the Closing, during which time Pact Institute shall continue to operate the Microfinance Project and PGMF shall undertake certain actions to prepare for the transfer of the Project Assets and Project Liabilities:

#### 4.1 Warranties of Pact Inc.

- (a) Conduct of operations of Pact Institute. Pact Inc. shall use its best efforts to ensure that Pact Institute continues to run the Microfinance Project pursuant to and in accordance with the Project Cooperation Agreement.
- (b) Performance of Obligations and Satisfaction of Conditions to Closing. Pact Inc. shall use its best efforts to perform its obligations under this Agreement and to satisfy the conditions to Closing set forth in Article 6 of this Agreement.
- (c) Material Contracts. Pact Inc. shall abide by all Material Contracts (listed on Schedule 4.1c).
- (d) Support Pact Institute in its Performance of Obligations. Pact Inc. shall use its best efforts to ensure that Pact Institute performs its obligations under this Agreement.

#### 4.2 Warranties of Pact Institute

- (a) Continue to run the Microfinance Project pursuant to and in accordance with the Project Cooperation Agreement. In particular, Pact Institute shall ensure that it keeps accurate records of all outstanding loans and all client savings.
- (b) Provide UNDP with written notice of any material change in or to the Microfinance Project or otherwise to its business within three business days of such change.
- (c) Performance of Obligations and Satisfaction of Conditions to Closing. Pact Institute shall use its best efforts to perform its obligations under this Agreement and to satisfy the conditions to Closing set forth in Article 6 of this Agreement.
- (d) Support PGMF in its Performance of Obligations and Satisfaction of conditions to Closing. Pact Institute shall use its best efforts to support PGMF in its

performance of obligations under this Agreement, including PGMF's satisfaction of the conditions to Closing set forth in Article 6 of this Agreement.

#### **4.3 Warranties of PGMF**

- (a) Performance of Obligations and Satisfaction of Conditions to Closing. PGMF shall use its best efforts to perform its obligations under this Agreement and to satisfy the conditions to Closing set forth in Article 6 of this Agreement.
- (b) Material Contracts. PGMF shall abide by all Material Contracts (listed on Schedule 4.3b).
- (c) Provide UNDP with written notice of any material change in or to its business within three business days of such change.

### **ARTICLE 5**

#### **POST-CLOSING COVENANTS**

Pact Inc. and PGMF undertake the following, which applies specifically to the period from the Closing to the end of the Post-Closing period, as defined in Article 7 below.

#### **5.1 Covenants of Pact Inc.**

Pact Inc. shall appoint competent and qualified PGMF directors who will perform their duties on behalf of PGMF to ensure that:

- (a) PGMF continues to run its microfinance business – including the business comprising the Microfinance Project – in the same manner as it has conducted it up to the date of execution of this Agreement;
- (b) PGMF abides by all Material Contracts to which they are Parties;
- (c) PGMF performs its obligations under this Agreement, in particular Article 5.2;
- (d) The Project Assets are used by PGMF to operate its business in Myanmar and are not transferred out of the country;
- (e) PGMF uses the Project Assets to provide poor and low-income households – particularly women – with access to demand-oriented microfinance services in their community;
- (f) PGMF operates in a way that enables the microfinance sector to be sustainable (i.e. PGMF shall not engage in anti-competitive practices).

## 5.2 Covenants of PGMF

PGMF shall:

- (a) Run its microfinance business in accordance with the inclusive finance best practices set forth below:
  - i) Access at a reasonable cost of all households and enterprises in the target market to the range of financial services, with particular focus on women;
  - ii) Transparent information on product pricing, terms and conditions;
  - iii) Financial and institutional sustainability - well-managed, efficient operations, based on the principle of full cost recovery;
  - iv) Product design and delivery channels designed taking into account client characteristics.
- (b) Use the Project Assets to operate its business in Myanmar in accordance with the provisions of its license under the Myanmar Microfinance Law, 2011, as currently written and administered by the Government of Myanmar and not transfer any of the Project Assets out of the country. This condition shall continue to apply even if PGMF should at any time in the future voluntarily and of its own volition decide to end its engagement in Myanmar, at which point it should legally retransfer the Project assets (less the revenue sharing payments detailed in Article 2.5) to another licensed microfinance institution providing services in Myanmar, agreed to by the Government of Myanmar.
- (c) Increase its paid-up capital at MMSE in accordance with Myanma Microfinance Supervisory Committee Directive 1/2014, dated 14<sup>th</sup> January 2014.
- (d) Comply with all applicable and material laws of the Republic of the Union of Myanmar, including standing tax law, rules and regulations, and its MoU with SSID and any addendum thereto.
- (e) Strive to remain within a maximum ratio of loan disbursements to operational costs of 70:30 in running its microfinance business and make all efforts to continuously reduce this ratio while maintaining best possible standards and practices.
- (f) Implement good governance and oversight arrangements in accordance with the provisions contained in the Myanmar Microfinance Law, 2011, as well as its notifications, directives and others derived texts whose compliance with is mandatory, including the expansion of the Board of Directors to include more microfinance expertise and reporting of the audit function to the Board of Directors Audit Committee (as opposed to management).

- (g) Put in place an appropriate computerized management information and accounting system, which will be evidenced by an executed contract with the supplier (as shown in Annex D).
- (h) Provide reports and information to the Transition Oversight Committee described in Article 5.3 below, regarding progress on implementation of warranties and covenants.
- (i) Submit to a rating no later than July 2014 which is made available to all stakeholders.
- (j) At least every three years, engage an independent firm to conduct an impact assessment which shall be made public.
- (k) Provide UNDP with written notice of any material change in or to its business within three business days of such change.
- (l) Abide by any and all applicable carry-forward obligations that may be provided under the Material Contracts (listed on Schedule 4.3b).
- (m) Ensure that in any sale, transfer or other exchange of Fixed Assets and Equipment with a minimum value of USD 500, PGMF receives net assets of equivalent value.
- (n) Ensure that in any sale, transfer or other exchange of Loan Portfolio-specific Project Assets and Project Liabilities with a minimum value of USD 5,000, PGMF receives net assets of equivalent value and that the transferee agrees to run the microfinance business in accordance with the principles referred to in 5.2(a) above.
- (o) The requirements set forth in Article 5.2(n) above shall also apply to any future “transformation” transaction of PGMF pursuant to which its microfinance business, including its loan portfolio, is transferred to a for-profit microfinance institution.

**5.3 Transition Oversight Committee.** The “Transition Oversight Committee” established by the Funders shall oversee PGMF’s efforts to comply with its specific undertakings during the period after execution of this Agreement and the Closing as set forth in this Article. The Transition Oversight Committee shall continue to exist for this purpose for at least one year and thereafter for as long as its members deem necessary and agree, but in any event no longer than five years or until all Revenue Sharing payments have been made, whichever happens first. Thereafter, the Transition Oversight Committee shall be decommissioned and its activities terminated.

## ARTICLE 6

### CONDITIONS TO CLOSING

- 6.1 The undertaking of UNDP to direct Pact Institute to transfer the Project Assets to PGMF at the Closing is subject to the satisfaction of the following conditions unless waived by UNDP in writing:
- (a) Accuracy of Representations, Warranties and Covenants of Pact Inc., Pact Institute and PGMF.
  - (b) Completion of an expert valuation of the Project Assets and Liabilities in a form acceptable to UNDP.
  - (c) Provision by Pact Institute to PGMF of documentation regarding all outstanding loan agreements, client savings, and all Pact Institute bank accounts relating to the Microfinance Project.
  - (d) Written notification of any material changes in the operation of the Microfinance Project from date of execution of this Agreement within three business days of such change.
  - (e) All necessary consents, authorizations, approvals, filings and registrations (as noted in Schedules 3.2d and 3.3d) shall have been received by Pact Institute and PGMF.
- 6.2 In addition, unless waived by UNDP at the Closing, PGMF shall have implemented the following:
- (a) Drafted a three-year Consolidation Plan;
  - (b) Drafted a plan for client education, including a time frame for implementation;
  - (c) Drafted a plan for implementing responsible lending practices in line with the “Client Protection Principles” formulated by the “Smart Campaign”, including a time frame for implementation.



## ARTICLE 7

### CERTAIN POST-CLOSING MATTERS

- 7.1 **Post-Closing period.** The Post Closing Period shall end five (5) years after the Closing Date.
- 7.2 **Records.** PGMF shall keep accurate and up-to-date records and documents in respect of its microfinance business, including the assets and liabilities that comprise the Microfinance Project and the continuation of such business post-Closing. UNDP shall have the right to review such records during the post-Closing period unless otherwise agreed by the Parties.
- 7.3 **Survival of Representations and Obligations.** During the post-Closing Period, and unless otherwise agreed by the Parties, all applicable representations, warranties, covenants and agreements of the Parties contained in this Agreement shall survive the Closing. In particular, the following representations, warranties, covenants and/or agreements of the Parties contained in this Agreement shall survive the Closing, as indicated:
- i) All PGMF's covenants described in Article 5 shall survive the Closing for the Post Closing Period; and
  - ii) Articles 2, 5.2(b) and 11 hereto shall survive indefinitely.

## ARTICLE 8

### TERMINATION

- 8.1 **Termination.** This Agreement may be terminated prior to the Closing only as follows:
- (a) by the mutual written consent of the Parties, at any time; or
  - (b) by UNDP if one or more of the conditions specified in Article 6 is not satisfied at the time at which the Closing would otherwise occur (unless deferred pursuant to Article 2.4), or if such condition is or becomes impossible to satisfy.
- 8.2 **Effect of Termination.** If this Agreement is terminated pursuant to Article 8.1, there shall be no further liability or obligation of any Party.

## ARTICLE 9

### ENTIRE AGREEMENT

- 9.1 **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties pertaining to the transfer of the Microfinance Project and supersedes all prior and contemporaneous agreements of the Parties relating to such transfer.
- 9.2 **No Waiver.** No failure or delay on the part of any Party in exercising any right, power or remedy hereunder shall operate as a waiver by such Party of any such right, power or remedy.
- 9.3 **Amendments.** This Agreement, including its Annexes and Schedules, may be modified or amended only by written agreement by and among the Parties.
- 9.4 This Agreement is drawn up in the English language in eight (8) original copies with one for each signatory and acknowledging party.
- 9.5 Any invalidity, in whole or in part, of any provision of this Agreement shall not affect the validity of any other of its provisions.

## ARTICLE 10

### CORRESPONDENCE AND REGISTERED ADDRESSES

All correspondence related to this Agreement shall be in English Language and shall be delivered personally or sent to the other Party hereto by registered letter or fax and addressed as follows (or to any other address that may have been officially notified by the addressee to the other Party):

**United Nations Development Programme Myanmar:**

Attn: Country Director  
Address: 6 Natmauk Road, Tamwe Township,  
Yangon 11211, Myanmar  
Telephone No.: (95-1) 542910 to 542919  
Facsimile: (95-1) 545634 & 544531

**Pact Inc.:**

Attn: Mark Viso, President and CEO  
Address: 1828 L Street, NW, Suite 300  
Washington, DC 20036, USA  
Telephone No.: (1-202) 466-5666  
Facsimile: (1-202) 466-5666

**Pact Institute:**

Attn: John Whalen, President  
Address: 1828 L Street, NW, Suite 300  
Washington, DC 20036, USA  
Telephone No.: (1-202) 466-5666  
Facsimile: (1-202) 466-5666

**PGMF:**

Attn: William Warshauer, President  
Address: 1828 L Street, NW, Suite 300  
Washington, DC 20036, USA  
Telephone No.: (1-202) 466-5666  
Facsimile: (1-202) 466-5666

Each Party may change its address for purposes of this Agreement by giving the other Parties written notice of the new address.

**ARTICLE 11**

**ARBITRATION**

**11.1 Amicable Settlement.** The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of this Agreement or the breach, termination or invalidity thereof. Where the Parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the Conciliation Rules of United Nations Commission on International Trade Laws (“UNCITRAL”), then obtaining, or according to such other procedure as may be agreed between the Parties.

**11.2 Arbitration.** Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof, unless settled amicably within sixty (60) days after receipt by a Party of another Party's request for such amicable settlement, shall be referred by a Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The arbitral tribunal shall be empowered to order the return or destruction of goods or any property, whether tangible or intangible or of any or any confidential information provided under the Agreement, order termination of the Agreement, or order that any other protective measures be taken with respect to the goods, service or any other property, whether tangible or intangible, or of any confidential information provided under the Agreement, as appropriate, all in accordance with the authority of the arbitral tribunal pursuant to Article 26 ("Interim Measures of Protection") and Article 32 ("Form and Effect of the Award") of the UNCITRAL Arbitration Rules. The arbitral tribunal shall have no authority to award punitive damages. In addition, unless otherwise expressly provided in the Agreement, the arbitral tribunal shall have no authority to award interest in excess of six (6) percent, and any such interest shall be simple interest only. The arbitration award rendered in accordance with such arbitration as the final adjudication of any such dispute, controversy or claim shall bind the Parties.

## **ARTICLE 12**

### **PRIVILEGES AND IMMUNITIES**

Nothing in or relating to the present Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations including UNDP and UNOPS.

**IN WITNESS WHEREOF**, the undersigned, being duly authorized thereto, have on behalf of the Parties hereto signed this Agreement at the place and on the day below written.

<b>For United Nations Development Programme (UNDP):</b>	<b>For PACT INC.:</b>
Signature:	Signature:
Name: <b>Mr. Toily Kurbanov</b>	Name: <b>Mr. William Warshauer</b>
Title: <b>Country Director UNDP Myanmar</b>	Title: <b>Chief Operating Officer PACT INC.</b>
Date: <b>4 June 2014</b>	Date: <b>4 June 2014</b>

<b>For PACT Institute:</b>	<b>For PACT Global Microfinance Fund (PGMF):</b>
Signature:	Signature:
Name: <b>Mr. John Whalen</b>	Name: <b>Mr. Fahmid Bhuiya</b>
Title: <b>President PACT Institute</b>	Title: <b>Chief Operating Officer PGMF</b>
Date: <b>4 June 2014</b>	Date: <b>4 June 2014</b>

This Asset and Liability Transfer Agreement is acknowledged by the undersigned at the place and on the day below written.

<b>For Danish International Development Agency (DANIDA):</b>	<b>For Department for International Development (DfID):</b>
Signature:	Signature:
Name:	Name:
Title:	Title:
Date:	Date:

<b>For United Nations Office for Project Services (UNOPS):</b>	<b>For U.S. Agency for International Development (USAID):</b>
Signature:	Signature:
Name:	Name:
Title:	Title:
Date:	Date:

## Annex A

## Funding of Microfinance Project

The total funding provided to Pact as of 31 December 2013 (in USD)

Donor	Date of agreement	Funding for On-lending	Funding for Operations	Total Amount
DANIDA	9 Nov 2010	312,500	195,978	508,478
DFID	13 Jan 2011	2,178,670	732,373	2,911,043
LIFT/ UNOPS	24 Jun 2011 (LIFT II Countrywide) 25 Feb 2012 (LIFT II Delta)	7,218,596	2,167,293	9,385,889
UNDP	28 Nov 1996 26 Aug 1999 24 Dec 2002 (Project Documents)	13,549,364	9,344,409	22,893,773
USAID	30 Sep 2009	4,615,994	792,664	5,408,658
<b>TOTAL</b>		<b>27,875,124</b>	<b>13,232,717</b>	<b>41,107,841</b>

**Annex B**

**Memorandum of Understanding between UNDP and  
Government of the Republic of the Union of Myanmar  
represented by the Ministry of Co-Operatives**



## Annex C

## Calculation of Revenue Sharing

## Pact/PGMF 'Revenue-Sharing' Calculation

Funding Source	Loan Capital Transfer USD (as at Dec. 2013)	FUTURE FINANCIAL INCOME ON LOAN CAPITAL at 30% per annum				
		2014	2015	2016	2017	2018
UNDP	13,549,364	4,064,809.20	4,064,809.20	4,064,809.20	4,064,809.20	4,064,809.20
LIFT	7,218,596	2,165,578.80	2,165,578.80	2,165,578.80	2,165,578.80	2,165,578.80
USAID	4,615,994	1,384,798.20	1,384,798.20	1,384,798.20	1,384,798.20	1,384,798.20
DFID	2,178,670	653,601.00	653,601.00	653,601.00	653,601.00	653,601.00
DANIDA	312,500	93,750.00	93,750.00	93,750.00	93,750.00	93,750.00
<b>Total</b>	<b>27,875,124</b>	<b>8,362,537.20</b>	<b>8,362,537.20</b>	<b>8,362,537.20</b>	<b>8,362,537.20</b>	<b>8,362,537.20</b>
Future yield on portfolio	30%	8,362,537.20	8,362,537.20	8,362,537.20	8,362,537.20	8,362,537.20
Average operational expense ratio 2013-2016 (from PACT business plan)	11.80%	3,289,264.63	3,289,264.63	3,289,264.63	3,289,264.63	3,289,264.63
<b>Operational Result</b>		<b>5,073,272.57</b>	<b>5,073,272.57</b>	<b>5,073,272.57</b>	<b>5,073,272.57</b>	<b>5,073,272.57</b>
<b>Fixed annual 'revenue-sharing'</b>	<b>50%</b>	<b>2,536,636.28</b>	<b>2,536,636.28</b>	<b>2,536,636.28</b>	<b>2,536,636.28</b>	<b>2,536,636.28</b>
<b>Cumulative Total (USD)</b>	<b>989</b>	<b>2,536,636.28</b>	<b>5,073,272.57</b>	<b>7,609,908.85</b>	<b>10,146,545.14</b>	<b>12,683,181.42</b>
<b>Equivalent amount (MMK)</b>		<b>2,508,733,285</b>	<b>5,017,466,570</b>	<b>7,526,199,855</b>	<b>10,034,933,140</b>	<b>12,543,666,424</b>

Payable as per:	USD	MMK
30-6-2014	1,268,318.14	1,254,366,640
31-12-2014	1,268,318.14	1,254,366,640
30-6-2015	1,268,318.14	1,254,366,640
31-12-2015	1,268,318.14	1,254,366,640
30-6-2016	1,268,318.14	1,254,366,640
31-12-2016	1,268,318.14	1,254,366,640
30-6-2017	1,268,318.14	1,254,366,640
31-12-2017	1,268,318.14	1,254,366,640
30-6-2018	1,268,318.14	1,254,366,640
31-12-2018	1,268,318.14	1,254,366,640
<b>TOTAL</b>	<b>12,683,181.40</b>	<b>12,543,666,405</b>

(Exchange rate of MMK 989 : USD 1 as per UNORE dated 31 December 2013)

**Annex D**

**Agreement for Provision of Computerized Management Information and  
Accounting System (Excerpt)**



*User Licence and Support Agreement for  
Pact, Inc.*



**Annex D (cont.)**

Fern (Licensor/Contractor)	Fern Computer Services Limited 5B Hawthorn Office Park 45 Stockmans Way Belfast BT9 7ET Registered in N Ireland: NI14020
The Client (Licensee/User)	Pact, Inc. 1828 L Street, NW, Suite 300, Washington DC 20036 United States of America
The Product	Abacus MFI
Initial Client Access Licences (CALs)	250
Operating System	Windows Server
The Initial Term	5 Years
Option Period(s)	12-month periods after Initial Period
Execution Date	August 23, 2013
Schedule 1	Licence Fees and Costs
Schedule 2	Payment Terms
Schedule 3	Implementation Services
Schedule 4	Certificate of Acceptance

Annex D (cont.)

Signed for and on behalf of Pact, Inc. by its  
Authorised Representative in the presence of:



Signature of Authorised Representative



Signature of Witness

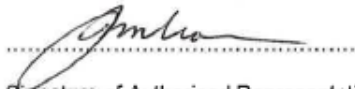
LEONARD N. Williams

Name of Authorised Representative

Mark Micbach

Name of Witness

Signed for and on behalf of Fern  
Computer Services Limited by its  
Authorised Representative in the  
presence of:



Signature of Authorised Representative



Signature of Witness

JULIAN MCCABE

Name of Authorised Representative

ALAN MCCABE

Name of Witness

**Annex E**

**PGMF Certified Statements of Account as of 31 December 2013**

**REVIEW REPORT**  
**ON**  
**THE INTERIM FINANCIAL INFORMATION**  
**OF**  
**SUSTAINABLE MICRO-FINANCE TO IMPROVE**  
**THE LIVELIHOODS OF THE POOR (MYA01/004)**  
**IMPLEMENTED BY MICROFINANCE PACT MYANMAR**  
**DELTA ZONE, DRY ZONE, SHAN ZONE AND YANGON OFFICE**

**PERIOD: OCTOBER 1, 2013 TO DECEMBER 31, 2013**

**WIN THIN & ASSOCIATES**  
**CERTIFIED PUBLIC ACCOUNTANTS**



## Annex E (cont.)

**HEAD OFFICE:-**

Room (2B/2C) 1<sup>st</sup> Floor, Rose Condominium,  
No.182/194, Botahtaung Pagoda Road,  
Pazundaung Township, Yangon Region, Myanmar.

ဝင်းသင်နှင့်အဖွဲ့။ စာရင်းစစ်များ

**WIN THIN & ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS

**MANDALAY BRANCH OFFICE:-**

Room 9/10, East Wing of Bahtoo Stadium,  
70<sup>th</sup> Street (Between 29<sup>th</sup> & 30<sup>th</sup> Street),  
Mandalay Region, Myanmar.



Yangon ☎: 201798, 296164, Fax: 95-1-245671, e-mail: [winthin9@myanmar.com.mm](mailto:winthin9@myanmar.com.mm), Mandalay ☎:02-34451, Fax:02-3449

Ref: 332/P-57/December 2013

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Management of Microfinance Pact Myanmar

### Introduction

We have reviewed the accompanying balance sheet of SUSTAINABLE MICRO-FINANCE TO IMPROVE THE LIVELIHOODS OF THE POOR (MYA01/004) IMPLEMENTED BY MICROFINANCE PACT MYANMAR (DELTA ZONE, DRY ZONE, SHAN ZONE AND YANGON OFFICE) as of December 31, 2013 and the related statements of income, changes in equity and cash flows for the three-month (October to December 2013) period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Generally Accepted Accounting Practices (GAAP).

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of (or "does not present fairly, in all material respects,") the financial position of the SUSTAINABLE MICRO-FINANCE TO IMPROVE THE LIVELIHOODS OF THE POOR (MYA01/004) as at December 31, 2013, and of its financial performance and its cash flows for the three month (October to December 2013) period then ended in accordance with Generally Accepted Accounting Practices (GAAP).

  
Saw Nelson (PA- 400)  
Engagement Partner  
WIN THIN & ASSOCIATES  
CERTIFIED PUBLIC ACCOUNTANTS



January 24, 2014



## Annex E (cont.)

MYA/01/004:Sustainable Microfinance to Improve the Livelihoods of the Poor  
Pact Myanmar Microfinance Project, DRY / DELTA / SHAN / YANGON  
Balance Sheet as at December'2013

		(Kyat)				
Particular		Dry	Delta	Shan	Yangon	Conso
B1	Cash and Current Account	3,371,337,212	6,484,180,768	5,788,915,752	6,797,130	15,651,230,863
B2	Interest Bearing Deposits	-	-	4,780	-	4,780
	Loan Outstanding:	-	-	-	-	-
B3	Current	40,514,325,488	24,042,557,800	9,328,995,300	-	73,885,878,588
B4	Loans With Arrears	201,497,268	274,429,730	733,125,283	-	1,209,052,281
B5	Restructured	-	-	-	-	-
B6	Total Loan Outstanding	40,715,822,756	24,316,987,530	10,062,120,583	-	75,094,930,869
B7	(Loan Loss Reserve)	(542,998,680)	(407,288,241)	(773,524,091)	-	(1,723,811,012)
B8	Net Loan Outstanding	40,172,824,076	23,909,699,289	9,288,596,492	-	73,371,119,857
B9	Other Current Assets	225,693,868	244,191,992	1,221,458,083	377,552,574	2,068,896,517
B10	<b>TOTAL CURRENT ASSETS</b>	<b>43,769,855,156</b>	<b>30,638,072,049</b>	<b>16,298,975,107</b>	<b>384,349,704</b>	<b>91,091,252,016</b>
B11	Long-term investment					-
	Property and Equipment:					-
B12	Cost	477,889,786	410,381,864	256,733,140	34,654,032	1,179,658,822
B13	(Accumulated Depreciation)	(336,633,416)	(291,486,443)	(169,242,318)	(13,947,203)	(811,309,380)
B14	Net property and equipment	141,256,370	118,895,421	87,490,822	20,706,829	368,349,442
B15	<b>TOTAL LONG-TERM ASSETS</b>	<b>141,256,370</b>	<b>118,895,421</b>	<b>87,490,822</b>	<b>20,706,829</b>	<b>368,349,442</b>
B16	<b>TOTAL ASSETS</b>	<b>43,911,111,526</b>	<b>30,756,967,470</b>	<b>16,386,465,929</b>	<b>405,056,533</b>	<b>91,459,601,458</b>
<b>LIABILITIES AND NET WORTH</b>						-
<b>LIABILITIES</b>						-
B17	Short-term Borrowing (commercial rates)					-
B18	Client Savings+ other payable+funds and reserve (Note # )	12,078,108,231	8,212,089,012	3,439,794,348	405,056,533	24,135,048,124
B19	<b>TOTAL CURRENT LIABILITIES</b>	<b>12,078,108,231</b>	<b>8,212,089,012</b>	<b>3,439,794,348</b>	<b>405,056,533</b>	<b>24,135,048,124</b>
B20	Long-term debt, commercial rate					-
B21	Long-term debt, Concessional rate					-
B22	Deferred Revenues					-
B23	<b>TOTAL LIABILITIES</b>	<b>12,078,108,231</b>	<b>8,212,089,012</b>	<b>3,439,794,348</b>	<b>405,056,533</b>	<b>24,135,048,124</b>
<b>NET WORTH</b>						-
B24	Loan Fund Capital	5,801,684,745	12,105,807,477	3,167,943,669	-	21,075,435,891
B25	Subsidy for Operating Expenses	729,422,479	572,092,427	472,948,303	-	1,774,463,209
B26	Retained Net Surplus/(Deficit) prior quarters	23,793,836,252	9,135,871,399	9,036,975,589	(0)	41,966,683,240
B27	Current quarter Net Surplus/(Deficit)	1,508,059,819	731,107,155	268,804,020	-	2,507,970,994
B28	<b>TOTAL NET WORTH</b>	<b>31,833,003,295</b>	<b>22,544,878,458</b>	<b>12,946,671,581</b>	<b>(0)</b>	<b>67,324,553,334</b>
B29	<b>TOTAL LIABILITIES AND NET WORTH</b>	<b>43,911,111,526</b>	<b>30,756,967,470</b>	<b>16,386,465,929</b>	<b>405,056,533</b>	<b>91,459,601,458</b>

  
Fahmid Karim Bhuiya  
Chief Operating Officer  
Pact Global Microfinance Fund

4



  
Thein Naing  
Finance Officer  
MF P, Pact Myanmar, Yangon Office  
(MYA/001/004)

## Annex E (cont.)

MYA/01/004:Sustainable Microfinance to Improve the Livelihoods of the Poor

Pact/Myanmar - Dry/Delta/Shan / Yangon -Microfinance Project

Income Statement for Period of October to December 2013

(kyat)

Sr.No	Particular	October- December 2013				
		Dry	Delta	Shan	Yangon	Conso
<b>FINANCIAL INCOME:</b>						
1	Interest earned on current & past due loans	2,799,129,167	1,776,679,122	742,498,923	-	5,318,307,212
2	Interest on restructured loans	-	-	-	-	-
3	Interest on investment (bank)	755,570	-	-	-	755,570
4	Service Charges and other fees	-	-	-	-	-
5	Other Income	1,027,010	483,045	82,000	-	1,592,055
<b>TOTAL FINANCIAL INCOME</b>		<b>2,800,911,747</b>	<b>1,777,162,167</b>	<b>742,580,923</b>	<b>-</b>	<b>5,320,654,837</b>
<b>FINANCIAL EXPENSES:</b>						
6	Interest on debt	-	-	-	-	-
7	Interest paid on deposits	277,017,824	224,279,911	98,422,324	-	599,720,059
8	Interest paid on others	103,070,150	59,216,221	22,611,982	-	184,898,353
9	Provision for Loan Losses	69,049,015	32,941,755	(23,736,450)	-	78,254,320
10	Other financial cost	6,891,796	1,872,471	627,438	3,150	9,394,855
<b>TOTAL FINANCIAL EXPENSES:</b>		<b>456,028,785</b>	<b>318,310,358</b>	<b>97,925,294</b>	<b>3,150</b>	<b>872,267,587</b>
<b>NET FINANCIAL MARGIN</b>		<b>2,344,882,962</b>	<b>1,458,851,809</b>	<b>644,655,629</b>	<b>(3,150)</b>	<b>4,448,387,250</b>
<b>OPERATING EXPENSES</b>						
11	Salaries and benefits	596,665,199	504,535,800	245,944,949	72,120,042	1,419,265,990
12	Administrative expenses	145,639,784	117,284,224	68,732,769	(153,763,527)	177,893,250
1	Office supplies, consumables and utilities	7,059,252	8,175,315	3,334,157	1,075,550	19,644,274
2	Stationery	2,857,311	3,483,535	2,334,595	309,950	8,985,391
3	Printing and duplicating expenses	6,002,661	7,527,143	4,434,066	210,950	18,174,820
4	Communication cost	4,252,962	3,864,795	2,378,126	515,987	11,011,870
5	Fuel and lubricants cost for generator	929,500	1,767,500	718,550	-	3,415,550
6	Books and publication	209,350	453,400	299,875	9,800	972,425
7	Tax, duties and fees	303,500	65,500	1,264,575	54,862	1,688,437
8	Freight, Carrier Charges	316,550	543,460	212,000	57,500	1,129,510
9	Yangon Office Expenses	69,450,692	55,017,120	31,705,751	(156,173,563)	-
10	UFT Funded Branch Expenses	4,695,374	-	5,985,962	-	10,681,336
11	Lunch Box Cost	19,544,900	17,670,100	6,122,200	-	43,337,200
12	Contribution to pensionary welfare fund	28,006,962	17,508,566	7,425,812	-	52,941,340
13	Loss on sales of Fixed Assets	-	-	-	-	-
14	Other cost	2,010,770	1,207,790	2,517,100	175,437	5,911,097
13	Travel and Accommodation	50,427,060	64,338,427	28,809,328	4,005,662	147,580,477
14	Training	11,744,150	11,336,033	9,800,956	8,666,077	41,547,216
15	Repair and Maintenance	15,856,855	16,131,725	12,806,623	67,505,017	112,300,220
16	Depreciation	16,490,095	14,118,445	9,756,984	1,463,579	41,829,103
17	Unserviceable Fixed Assets (Write off)	-	-	-	-	-
<b>OPERATING EXPENSES</b>		<b>836,823,143</b>	<b>727,744,654</b>	<b>375,851,609</b>	<b>(3,150)</b>	<b>1,940,416,256</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>1,292,851,928</b>	<b>1,046,055,012</b>	<b>473,776,903</b>	<b>-</b>	<b>2,812,683,843</b>
<b>NET INCOME FROM OPERATION</b>		<b>1,508,059,819</b>	<b>731,107,155</b>	<b>268,804,020</b>	<b>-</b>	<b>2,507,970,994</b>
18	Subsidy for Operating Expenses	-	-	-	-	-
19	Other non-operational Income	-	-	-	-	-
<b>EXCESS OF INCOME OVER EXPENSES</b>		<b>1,508,059,819</b>	<b>731,107,155</b>	<b>268,804,020</b>	<b>-</b>	<b>2,507,970,994</b>

  
**Fahmid Karim Bhatia**  
 Chief Operating Officer  
 Pact Global Microfinance Fund



  
**Thin Waing**  
 Finance Officer  
 MF P, Pact Myanmar, Yangon Office  
 (MYA/001/004)



## Schedule 2.2a

## Total Outstanding Loan Portfolio

The total outstanding loan portfolio including loan loss reserves, is shown below.

<b>Loan portfolio</b>	<b>30 September 2013<sup>a</sup></b>	<b>31 December 2013<sup>b</sup></b>
	<b>Amount (MMK '000)</b>	
<b>Principal amount outstanding</b>		
Dry	32,961,196	40,514,325
Delta	24,471,010	24,042,558
Shan	10,887,372	9,328,995
Subtotal	68,319,578	73,885,878
<b>Loans with arrears</b>		
Dry	208,534	201,497
Delta	282,364	274,430
Shan	757,180	733,125
Subtotal	1,248,079	1,209,052
<b>Gross portfolio</b>	<b>69,567,657</b>	<b>75,094,930</b>
<b>LLR</b>		
Dry	473,950	542,999
Delta	374,346	407,288
Shan	797,263	773,524
Additional LLR for Shan	582,228	
Subtotal	2,227,786	1,723,811
<b>Net portfolio</b>	<b>67,339,870</b>	<b>73,371,119</b>

<sup>a</sup> These figures from valuation of assets of UNDP Microfinance Project held by PACT conducted by M-Cril in November 2013.

<sup>b</sup> These figures provided by Pact in January 2014.

**Schedule 2.2b****Fixed Assets and Equipment**

All Fixed Assets and Equipment as on 30 September 2013 is shown below (figures from valuation of assets of UNDP Microfinance Project held by PACT conducted by M-Cril in November 2013).

<b>Fixed asset and equipment as on 30 September 2013</b>	<b>Amount MMK '000</b>	<b>Fixed asset and equipment as on 30 September 2013</b>	<b>Amount MMK '000</b>
<b><u>Dry</u></b>		<b><u>Delta</u></b>	
Furniture	59,147	Furniture	51,783
Vehicle	157,686	Vehicle	147,632
Computer and accessories	117,143	Computer and accessories	85,973
Electrical Equipment	34,586	Electrical Equipment	24,333
Other Office equipment	83,764	Other Office equipment	89,487
<b>Total cost of property and equipment</b>	<b>452,326</b>	<b>Total cost of property and equipment</b>	<b>399,209</b>
LESS: Accumulated depreciation	(320,143)	LESS: Accumulated depreciation	(277,368)
<b>Net property &amp; equipment - Dry</b>	<b>132,183</b>	<b>Net property &amp; equipment - Delta</b>	<b>121,841</b>
<b><u>Shan</u></b>		<b><u>Yangon (HO)</u></b>	
Furniture	60,798	Furniture	4,923
Vehicle	54,580	Vehicle	15,088
Computer and accessories	61,316	Computer and accessories	7,331
Electrical Equipment	14,836	Electrical Equipment	36
Other Office equipment	59,608	Other Office equipment	7,147
<b>Total cost of property and equipment</b>	<b>251,139</b>	<b>Total cost of property and equipment</b>	<b>34,524</b>
LESS: Accumulated depreciation	(159,013)	LESS: Accumulated depreciation	(12,484)
<b>Net property &amp; equipment - Shan</b>	<b>92,126</b>	<b>Net property &amp; equipment - HO</b>	<b>22,040</b>
<b>Overall net property &amp; equipment</b>		<b>368,190</b>	

**Schedule 2.2b (cont.)****Fixed Assets and Equipment**

All Fixed Assets and Equipment as on 31 December 2013 is shown below (figures provided by Pact in January 2014).

<b>Fixed asset and equipment as on 31 December 2013</b>	<b>Amount MMK '000</b>	<b>Fixed asset and equipment as on 31 December 2013</b>	<b>Amount MMK '000</b>
<b><u>Dry</u></b>		<b><u>Delta</u></b>	
Furniture	59,147	Furniture	51,783
Vehicle	157,686	Vehicle	147,632
Computer and accessories	142,706	Computer and accessories	97,146
Electrical Equipment	34,586	Electrical Equipment	24,333
Other Office equipment	83,764	Other Office equipment	89,487
<b>Total cost of property and equipment</b>	<b>477,889</b>	<b>Total cost of property and equipment</b>	<b>410,381</b>
LESS: Accumulated depreciation	(336,633)	LESS: Accumulated depreciation	(291,486)
<b>Net property &amp; equipment - Dry</b>	<b>141,256</b>	<b>Net property &amp; equipment - Delta</b>	<b>118,895</b>
<b><u>Shan</u></b>		<b><u>Yangon (HO)</u></b>	
Furniture	60,798	Furniture	4,923
Vehicle	54,580	Vehicle	15,088
Computer and accessories	66,429	Computer and accessories	7,330
Electrical Equipment	15,031	Electrical Equipment	36
Other Office equipment	59,759	Other Office equipment	7,277
<b>Total cost of property and equipment</b>	<b>256,597</b>	<b>Total cost of property and equipment</b>	<b>34,654</b>
LESS: Accumulated depreciation	(169,242)	LESS: Accumulated depreciation	(13,947)
<b>Net property &amp; equipment - Shan</b>	<b>87,355</b>	<b>Net property &amp; equipment - HO</b>	<b>20,707</b>
<b>Overall net property &amp; equipment</b>	<b>368,213</b>		

**Schedule 2.2c****Cash**

Total cash as on 30 September 2013 is shown below.

<b>Cash in Hand</b>	<b>30 September 2013<sup>a</sup></b>	<b>31 December 2013<sup>b</sup></b>
	<b>Amount (MMK '000)</b>	
Dry	1,684,742	929,336
Delta	374,530	1,019,911
Shan	170,741	85,836
Yangon	1,155	1,353
<b>Subtotal</b>	<b>2,231,168</b>	<b>1,736,436</b>
<b>Cash at Bank</b>		
Dry	7,143,177	2,742,001
Delta	4,643,161	5,464,270
Shan	3,714,483	5,703,084
Yangon	30,450	5,444
<b>Subtotal</b>	<b>15,531,270</b>	<b>13,914,799</b>
<b>Cash in hand &amp; bank</b>		
Dry	8,827,919	3,371,337
Delta	5,017,690	6,484,181
Shan	3,885,225	5,788,920
Yangon	31,605	6,797
<b>Total cash in hand &amp; bank</b>	<b>17,762,439</b>	<b>15,651,235</b>

<sup>a</sup> These figures from valuation of assets of UNDP Microfinance Project held by PACT conducted by M-Cril in November 2013.

<sup>b</sup> These figures provided by Pact in January 2014.

**Schedule 2.2d****Other Assets**

Total other assets as on 30 September 2013 are shown below.

<b>Other Assets</b>	<b>30 September 2013<sup>a</sup></b>	<b>31 December 2013<sup>b</sup></b>
	<b>Amount (MMK '000)</b>	
<b><u>Dry</u></b>		
Advance payment	53,423	209,826
Other receivable	2,035	16,137
Stock	-	-
Sub total	55,458	225,963
<b><u>Delta</u></b>		
Advance payment	27,344	226,543
Other receivable	-	2,241
Stock	22,353	15,467
Sub total	49,697	244,251
<b><u>Shan</u></b>		
Advance payment	18,120	91,324
Other receivable	1,124,202	1,130,134
Stock	979	
Sub total	1,143,301	1,221,458
<b><u>Yangon</u></b>		
Advance payment	2,448	377,452
Other receivable	100	100
Stock	-	-
Sub total	2,548	377,552
<b>Total other assets</b>	<b>1,251,003</b>	<b>2,069,224</b>

<sup>a</sup> These figures from valuation of assets of UNDP Microfinance Project held by PACT conducted by M-Cril in November 2013.

<sup>b</sup> These figures provided by Pact in January 2014.

**Schedule 2.3a****Clients' Aggregate Savings**

Total aggregate savings of clients as on 30 September 2013 are shown below.

<b>Client deposits</b>	<b>30 September 2013<sup>a</sup></b>	<b>31 December 2013<sup>b</sup></b>
<b>Amount (MMK '000)</b>		
<b>Compulsory saving</b>		
Dry	6,044,276	6,240,680
Delta	5,014,433	5,141,531
Shan	2,106,391	2,132,886
Subtotal	13,165,101	13,515,097
<b>Voluntary saving</b>		
Dry	1,288,637	1,342,205
Delta	906,699	950,008
Shan	517,054	537,947
Subtotal	2,712,391	2,830,160
<b>Total client deposits</b>	<b>15,877,491</b>	<b>16,345,257</b>

<sup>a</sup> These figures from valuation of assets of UNDP Microfinance Project held by PACT conducted by M-Cril in November 2013.

<sup>b</sup> These figures provided by Pact in January 2014.

**Schedule 2.3b****Other Liabilities**

Total other liabilities as on 30 September 2013 are shown below (figures from valuation of assets of UNDP Microfinance Project held by PACT conducted by M-Cril in November 2013).

<b>Other liabilities as on 30 September 2013</b>	<b>Amount MMK '000</b>	<b>Other liabilities as on 30 September 2013</b>	<b>Amount MMK '000</b>
<b><u>Dry</u></b>		<b><u>Delta</u></b>	
Payable interest on Client	-	Payable interest on Client	18,939
Deposits		Deposits	
Other payable	21,136	Other payable	-
Accrued expenses	1,911	Accrued expenses	724
Fund transfer to other zones	1,119,940	Fund transfer to other zones	(2,001)
Beneficiary welfare fund	2,718,533	Beneficiary welfare fund	1,637,469
Withholding Tax on Staff Salary	240	Withholding Tax on Staff Salary	3,584
Share part and membership fees	58,684	Share part and membership fees	174,637
General reserve fund	4,179	General reserve fund	
Emergency fund	129,105	Emergency fund	
<b>Sub total</b>	<b>4,053,726</b>	<b>Sub total</b>	<b>1,833,351</b>
<b><u>Shan</u></b>		<b><u>Yangon</u></b>	
Other payable	3	Other payable	40,337
Accrued expenses	11,005	Accrued expenses	
Fund transfer to other zones	4,851	Fund transfer to other zones	15,857
Beneficiary welfare fund	609,256	Beneficiary welfare fund	
Withholding Tax on Staff Salary	1,227		
Share part and membership fees	40,345		
General reserve fund			
Emergency fund			
<b>Sub total</b>	<b>666,687</b>	<b>Sub total</b>	<b>56,193</b>
<b>Total other liabilities</b>		<b>6,609,958</b>	

**Schedule 2.3b (cont.)****Other Liabilities**

Total other liabilities as on 31 December 2013 are shown below (figures provided by Pact in January 2014).

<b>Other liabilities as on 31 December 2013</b>	<b>Amount MMK '000</b>	<b>Other liabilities as on 31 December 2013</b>	<b>Amount MMK '000</b>
<b><u>Dry</u></b>		<b><u>Delta</u></b>	
Payable interest on Client Deposits	274,927	Payable interest on Client Deposits	221,531
Other payable	103,070	Other payable	59,216
Accrued expenses	1,524	Accrued expenses	629
Fund transfer to other zones	1,124,635	Fund transfer to other zones	
Beneficiary welfare fund	2,796,700	Beneficiary welfare fund	1,656,943
Withholding Tax on Staff Salary		Withholding Tax on Staff Salary	3,518
Share part and membership fees	61,083	Share part and membership fees	178,710
General reserve fund	4,179	General reserve fund	
Emergency fund	129,105	Emergency fund	
<b>Sub total</b>	<b>4,495,223</b>	<b>Sub total</b>	<b>2,120,547</b>
<b><u>Shan</u></b>	<b><u>97,935</u></b>	<b><u>Yangon</u></b>	
Other payable	22,566	Other payable	389,200
Accrued expenses	2,521	Accrued expenses	
Fund transfer to other zones	4,238	Fund transfer to other zones	15,856
Beneficiary welfare fund	598,027	Beneficiary welfare fund	
Withholding Tax on Staff Salary	1,312		
Share part and membership fees	42,357		
General reserve fund			
Emergency fund			
<b>Sub total</b>	<b>768,956</b>	<b>Sub total</b>	<b>405,056</b>
<b>Total other liabilities</b>		<b>7,789,782</b>	



**Schedule 3.1f**

**Pact Inc. Litigation, Investigation, Arbitration, Claim, Dispute, etc.**

Pact Inc. Certificate of Good Standing

Initial File # 711314

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS  
CORPORATIONS DIVISION



**CERTIFICATE**

**THIS IS TO CERTIFY** that all applicable provisions of the District of Columbia Business Organizations Code (Title 29) have been complied with and accordingly, this **CERTIFICATE OF GOOD STANDING** is hereby issued to

PACT

**WE FURTHER CERTIFY** that the domestic filing entity is formed under the law of the District on 6/16/1971; that all fees, and penalties owed to the District for entity filings collected through the Mayor have been paid and Payment is reflected in the records of the Mayor; The entity's most recent biennial report required by § 29-102.11 has been delivered for filing to the Mayor; and the entity has not been dissolved. This office does not have any information about the entity's business practices and financial standing and this certificate shall not be construed as the entity's endorsement.

**IN TESTIMONY WHEREOF** I have hereunto set my hand and caused the seal of this office to be affixed as of 9/23/2013 11:08 AM

Business and Professional Licensing Administration



PATRICIA L. GRAYS  
Superintendent of Corporations  
Corporations Division

Vincent C. Gray  
Mayor

Tracking #: ZUKTB/RG

## Schedule 3.2d

### Pact Institute Consents, Authorizations, Approvals

#### Pact Institute Resolution



pact institute

RESOLUTION FOR CONSIDERATION BY THE  
BOARD OF DIRECTORS OF PACT INSTITUTE, INC.

AUTHORIZATION TO MOVE PROGRAMS AND FUNDS TO  
NEW PACT GLOBAL MFI SUBSIDIARY

*Recitals*

- Whereas: The management of Pact Inc. ("Pact") recommended to the Board of Directors of Pact Inc. (the "Pact Board") that a new subsidiary, organized under the laws of the State of Delaware, and focused on microfinance projects and instruments, be formed;
- Whereas: On January 17, 2012, the Pact Board formally authorized the management of Pact to form the new subsidiary;
- Whereas: Pact's traditional microfinance projects have been run through Pact Institute, Inc. ("Pact Institute"), and Pact Institute's management has recommended to the Board of Directors of Pact Institute that those projects be transferred from Pact Institute to the new subsidiary; and,
- Whereas: Some of Pact's traditional microfinance programs hold revolving fund assets that sit on Pact Institute's balance sheet, and Pact Institute's management has recommended to the Board of Directors of Pact Institute that these assets be transferred with their respective programs to the balance sheet of the new subsidiary.

*Resolutions*

Now therefore, be it

- Resolved: That the Board of Directors of Pact Institute authorizes the CEO of Pact Institute and the President of Pact Institute (each, an "Authorized Officer"), acting alone or together, to transfer any or all assets and liabilities associated with Pact Institute's existing microfinance projects or programs to a new subsidiary of Pact (the "Pact Global MFI Subsidiary") as the Authorized Officer shall deem necessary or appropriate; the transfer of any asset or liability shall conclusively establish that such asset or liability was associated with Pact Institute's existing microfinance projects or programs and that the Authorized Officer deemed the transfer of such asset or liability necessary or appropriate; and any action taken by any Authorized Officer to effect the transfer of any such asset or liability is and shall conclusively be deemed to have been authorized, ratified, approved, and confirmed by this resolution.

Schedule 3.2d (cont.)

Pact Institute Board Resolution  
Authorization to move programs and funds to new Pact Global MFI Subsidiary  
Page 2 of 2

Resolved: That the officers of Pact Institute (the "Authorized Persons") be, and each of them acting singly hereby is, authorized and directed, in the name and on behalf of Pact Institute, to execute and deliver any and all agreements, instruments, documents, and certificates, and to take any and all actions, which they or any of them may deem necessary, appropriate, or desirable in connection with the foregoing resolutions; that the execution and delivery of any such agreement, instrument, document, or certificate and the taking of any such action shall be conclusive evidence that such person deemed any such agreement, instrument, document, or certificate or action necessary, appropriate, or desirable in connection with the foregoing resolutions; and that the execution and delivery of each such agreement, instrument, document, or certificate and the taking of each such action by any Authorized Person is and shall conclusively be deemed to have been authorized, ratified, approved, and confirmed by this resolution.

Resolved: That all actions, negotiations, preparation, executions, deliveries, and filings of all agreements, instruments, documents, and certificates in the name of and on the behalf of Pact Institute, under its corporate seal or otherwise, and all fees and expenses incurred or paid by any officer, director, employee, or agent of Pact Institute as they, or any one of them, have deemed necessary, appropriate, or desirable to carry out the intent and effectuate the purposes of the foregoing resolutions prior to the date hereof are hereby authorized, approved, adopted, ratified, and confirmed in all respects.

Approved by Pact Institute Board of Directors by unanimous consent on January 31, 2012:

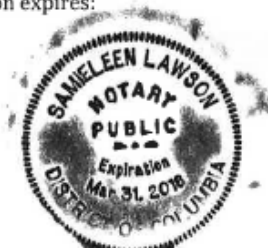
Witnessed by: *Kevin Mitchell*  
Name: Kevin Mitchell  
Title: Chairman, Pact Institute Board of Directors, January 31, 2012

I, *Christophe Lawson* a Notary Public, hereby certify that on this *17<sup>th</sup>* day of *Jan*, 2014, Kevin Mitchell appeared before me and signed the foregoing Board Resolution and averred that the statements therein contained are true.

Notary Public  
Seal

My commission expires:

SUBSCRIBED AND SWORN TO BEFORE ME  
THIS *17<sup>th</sup>* DAY OF *Jan*, 2014.  
BY *Christophe Lawson*  
*3/31/18*



Schedule 3.2f

Pact Institute Litigation, Investigation, Arbitration, Claim, Dispute etc.

Pact Institute Certificate of Good Standing

Initial File #: 982816

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS  
CORPORATIONS DIVISION



**C E R T I F I C A T E**

**THIS IS TO CERTIFY** that all applicable provisions of the District of Columbia Business Organizations Code (Title 29) have been complied with and accordingly, this **CERTIFICATE OF GOOD STANDING** is hereby issued to

PACT INSTITUTE

**WE FURTHER CERTIFY** that the domestic filing entity is formed under the law of the District on 3/14/2012; that all fees, and penalties owed to the District for entity filings collected through the Mayor have been paid and Payment is reflected in the records of the Mayor; The entity's most recent biennial report required by § 29-102.11 has been delivered for filing to the Mayor; and the entity has not been dissolved. This office does not have any information about the entity's business practices and financial standing and this certificate shall not be construed as the entity's endorsement.

**IN TESTIMONY WHEREOF I** have hereunto set my hand and caused the seal of this office to be affixed as of 10/25/2013 11:06 AM

Business and Professional Licensing Administration



PATRICIA E. GRAYS  
Superintendent of Corporations  
Corporations Division

Vincent C. Gray  
Mayor

Tracking #: hNhp0rly

## Schedule 3.3d

## PGMF Consents, Authorizations, Approvals

## PGMF Resolution



pact global microfinance fund

BOARD RESOLUTION  
OF  
PACT GLOBAL MICROFINANCE FUND

**ASSET AND LIABILITY TRANSFER AGREEMENT**

WHEREAS, Pact Global Microfinance Fund (the "Corporation") is organized and operated to support the mission of Pact, Inc., including by offering financial services to low-income people and promoting sustainable international development;

WHEREAS, Pact Institute, a wholly owned subsidiary of Pact, Inc., has since 1997 been an implementing partner of the "Sustainable Microfinance to Improve the Livelihoods of the Poor" project ("Project"), which is funded by the United Nations Development Programme ("UNDP") as well as Danida, DFID, LIFT and USAID (collectively, "Donors");

WHEREAS, UNDP and the Donors desire to transfer the Project's assets and liabilities to the Corporation in order to support growth and development of a robust and sustainable financial sector in Myanmar;

WHEREAS, the transfer of Project assets and liabilities to the Corporation will further the Corporation's charitable mission by enabling it to operate and expand microfinance activities in Myanmar;

WHEREAS, the Directors deem it to be in the best interest of the Corporation that the Corporation enter into the transaction described by the Asset and Liability Transfer Agreement By and Among United Nations Development Program, Pact, Inc., Pact Institute, and Pact Global Microfinance Fund, dated as of December 2013, be it

RESOLVED, that the Corporation hereby approves the transfer of Project assets and liabilities to the Corporation; and

RESOLVED, that the Corporation's Chief Executive Officer and President are hereby authorized on behalf of the Corporation to execute all documents and instruments and perform all acts as necessary or appropriate to effectuate the transfer of Project assets and liabilities to the Corporation.


RESOLVED, that the above named persons shall be authorized to execute and deliver all documents, instruments and other agreements, to waive any conditions, and to do all things necessary or helpful to carry out the purposes of these resolutions; and all acts of the above named persons which are consistent with the purpose of the above resolutions shall be ratified, approved, and adopted as the acts of the Corporation.



Schedule 3.3d (cont.)

Pact Global Microfinance Fund Board Resolution  
Asset and Liability Transfer Agreement  
Page 2 of 2

I, Mary Lyndon Haviland, Chair of the Corporation do hereby certify that this Resolution was duly passed at a meeting of the Board of Directors of the Corporation held on January 17, 2014 in which a quorum of the members of the Board were present; this Resolution is hereby executed under seal, with the intention of making it a sealed instrument, on the date indicated.

  
Mary Lyndon Haviland, MPH, DrPH  
PGMF Chair

1-17-14  
Date

I, SANDREATHA D. DOGGETT, a Notary Public, hereby certify that on this 17<sup>th</sup> day of JAN 2014, Dr. Mary Lyndon Haviland appeared before me and signed the foregoing Board Resolution and averred that the statements therein contained are true.

  
Notary Public

Seal

My commission expires:

SANDREATHA D DOGGETT  
Notary Public - State of New York  
NO. 01D08255341  
Qualified in Bronx County  
My Commission Expires 2/6/2016

Schedule 3.3f

PGMF Litigation, Investigation, Arbitration, Claim, Dispute, etc.

PGMF Certificate of Good Standing

*Delaware*

PAGE 1

*The First State*

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "PACT GLOBAL MICROFINANCE FUND" IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE ELEVENTH DAY OF SEPTEMBER, A.D. 2013.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CORPORATION IS AN EXEMPT CORPORATION.



5107987 8300C

131063126

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

  
Jeffrey W. Bullock, Secretary of State  
AUTHENTICATION: 0726466

DATE: 09-11-13

**Schedule 4.1c****Pact Inc. Material Contracts**

<b>Type</b>	<b>Contractor / Vendor</b>	<b>Amount</b>	<b>Term</b>
Software implementation	Fern Computer Services	\$389,900 (\$60,100 annual)	Aug'13 – Sep'14 (annual maintenance)

**Schedule 4.3b****PGMF Material Contracts**

<b>Type</b>	<b>Contractor / Vendor</b>	<b>Amount</b>	<b>Term</b>
Office Lease	National Land (Yangon) Co. Ltd	MMK 435,240,000	Oct'13 – Sep'15
IT equipment & system integration	Access Spectrum	\$196,000	Sep'13 – Feb'14