

BY-LAWS
OF
PRIVATE PLACEMENT INVESTORS ASSOCIATION

(formed under the District of Columbia
Nonprofit Corporation Act)

Article I. Name; Location.

Section 1. Name. The name of the corporation shall be PRIVATE PLACEMENT INVESTORS ASSOCIATION (“**Corporation**”).

Section 2. Location. The principal office of the Corporation shall be located within or without the District of Columbia, at such place as the Board of Directors of the Corporation (the “**Board**”) shall from time to time designate. The Corporation may maintain additional offices at such other places as the Board may designate. The Corporation shall continuously maintain within the District of Columbia a registered office at such place as may be designated by the Board.

Article II. Purpose.

Section 1. Authorized Activities. The Corporation is organized as a nonstock corporation exclusively for the following purposes:

- (a) To be a business association of insurance companies, other institutional investors and affiliates thereof that are active direct investors in the primary market for privately placed debt instruments;
- (b) To provide a discussion forum for such organizations;
- (c) To facilitate the development of best practices among such organizations;
- (d) To promote interest in the primary market for privately placed debt instruments; and
- (e) To increase accessibility to capital for issuers of privately placed debt instruments.

Section 2. Restrictions on Activities. The Corporation is organized and shall be operated exclusively as a nonprofit business association; it is not organized and shall not be operated for profit. No part of its net earnings or of any other funds of the Corporation shall inure to the benefit of any incorporator, Officer, Director or Member of the Corporation, or to the benefit of any other individual having a personal interest in its activities; provided, that this provision

shall not preclude the payment of reasonable compensation for services actually rendered to the Corporation. No substantial part of the Corporation's activities shall consist of attempting to influence legislation by propaganda or otherwise or participating directly or indirectly in, or intervening in, any political campaign on behalf of or in opposition to any candidate for public office.

Article III. Membership.

Section 1. Membership, Generally. The Corporation shall consist of all Members of the Corporation (a "**Member**"). Eligibility for election as a Member shall be limited to insurance companies, other institutional investors or affiliates thereof that are active direct investors in the primary market for privately placed debt instruments and who meet such other criteria for membership as the Board may from time to time establish. Each Member may designate up to two individuals (each such individual, a "**Member Representative**") to participate in the activities of the Corporation on such Member's behalf, provided that each such designated individual (i) holds a senior leadership position in the debt private placement group of such Member and (ii) is approved by the Board to participate on behalf of such Member. The Board may make such rules as it deems appropriate for the affiliation of other persons with the Corporation (including emeritus and academic affiliates), who shall not be Members of the Corporation and shall not be entitled to vote on any matters.

Section 2. Election to Membership.

(a) *Nomination and Second.* Any Director, or any Member in good standing, may nominate any organization meeting the requirements of Section 1 of this Article III for election as a Member of the Corporation. Each nomination shall be made in writing, shall be accompanied by or have endorsed thereon the written second of another Director or Member who is not affiliated with the institutional investor with which the proposer is affiliated and shall be submitted to the Secretary of the Corporation. The Secretary shall promptly submit such nomination to the Board of Directors for consideration.

(b) *Admission.* The Board shall give due consideration to the level and type of active participation in the primary market for privately placed debt instruments of each organization on whose behalf an application is submitted and to other factors which the Directors may deem relevant. If an application for membership is approved by the Board, then, subject to the payment of such initiation fee as the Board may from time to time establish, the applicant shall be admitted as a Member of the Corporation.

Section 3. Termination, Expulsion and Discipline.

(a) *Termination of Membership.* Membership may be terminated by written resignation at any time. Membership shall automatically terminate if the Member ceases to be an insurance company, other institutional investor or an affiliate thereof that is an active direct investor in the primary market for privately placed debt instruments.

(b) *Expulsion or Discipline for Cause.* The Board, by vote of at least five-sevenths of the Directors, may expel from membership, call for the resignation of, or otherwise discipline or

censure any Member for reasonable cause which shall include, without limitation, misconduct in the Member's relations with the Corporation and conduct discreditable to the Corporation or injurious to the order, dignity, peace, reputation, interests, purposes and objectives of the Corporation. A Member charged with such misconduct shall be given written notice of the charges, mailed to the Member's address appearing on the membership register, and provided an opportunity for hearing at a time (which shall be on a normal business day not less than 30 days from the date of the mailing of such notice) and place designated in such notice. The Board may delegate a committee of Members to conduct such hearing, make investigation in the matter and report its conclusions to the Board, which may act upon the report without further notice or hearing.

Section 4. Financial Support. Financial support of the Corporation will primarily consist of such initiation fees and annual dues by Members of the Corporation as the Board may from time to time establish.

Article IV. Membership Meetings.

Section 1. Time. The annual meeting of and for the election of Directors and the transaction of such other business as may properly come before the Board shall be held at such place, within or without the District of Columbia, on such date, and at such time as the Board shall each year fix, which date shall be within 13 months after the last annual meeting of Members, or, if no such previous meeting has been held, the date of incorporation. If the day fixed for the annual meeting is a legal holiday, such meeting shall be held on the next succeeding business day. A special meeting shall be held on the date fixed by the Directors except when the District of Columbia Nonprofit Corporation Act confers the right to call a special meeting upon the Members. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Corporation.

Section 2. Place. Annual and special meetings shall be held at such place, within or without the District of Columbia, as the Directors may, from time to time, fix. Whenever the Directors shall fail to fix such place, or whenever Members entitled to call or convene a special meeting shall convene the same, the meeting shall be held at the registered office of the Corporation in the District of Columbia.

Section 3. Call. Annual meetings may be called by the Directors or by any Officer instructed by the Directors to call the meeting. Special meetings may be called by the Directors, the President, the Secretary, or such other Officers or persons as the Directors shall designate and by Members having at least one-twentieth of the votes entitled to be cast at such meeting.

Section 4. Notice or Constructive Waiver of Notice. Written or printed notice stating the place, day, and hour of each meeting and, in the case of a special meeting, the purpose or purposes for which such meeting is called, shall be delivered not less than ten days and not more than 50 days before the date of such meeting, either personally or by mail, by or at the direction of the President or the Secretary or by the other Officers or persons calling the meeting, to each Member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at its address as it appears on the records of the Corporation, with postage thereon prepaid. The notice of any annual or special meeting shall include, or

be accompanied by, any additional statements or information prescribed by the District of Columbia Nonprofit Corporation Act. Whenever any notice is required to be given any Member, a waiver thereof in writing signed by such Member, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Presence of a Member at a meeting without objecting to the holding thereof shall also be deemed to be a waiver of notice by any such Member.

Section 5. Conduct of Meetings. Meetings of the Members shall be presided over by the President, the Vice-President or, if no President or Vice-President is in office and present and acting, by a chairman to be chosen by the Directors. The Secretary of the Corporation, or in his or her absence, an Assistant Secretary, shall act as secretary of every meeting, but if neither the Secretary nor an Assistant Secretary is present, the chairman of the meeting shall appoint a secretary of the meeting.

Section 6. Proxy Representation. Every Member may name an alternate to act for such Member by proxy in all matters in which a Member is entitled to participate, whether by waiving notice of any meeting, voting or participating at a meeting, or expressing consent or dissent without a meeting. Every proxy shall be signed by the Member or such Member's duly authorized attorney-in-fact. No proxy shall be valid after the expiration of eleven months after the date of its execution unless otherwise provided in the proxy.

Section 7. Inspectors – Appointments. The Directors, in advance of any meeting, may, but need not, appoint one or more inspectors to act at the meeting or any adjournment thereof. If an inspector or inspectors are not appointed, the person presiding at the meeting may, but need not, appoint one or more inspectors. In case any person who may be appointed as an inspector fails to appear or act, the vacancy may be filled by appointment made by the Directors in advance of the meeting or at the meeting by the person presiding thereat. Each inspector, if any, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his or her ability. The inspectors, if any, shall determine the number of memberships outstanding and the voting power of each, the number of memberships represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots, if any, or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots, if any, or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all Members. On request of the person presiding at the meeting or of any Member, the inspector or inspectors, if any, shall make a report in writing of any challenge, question, or matter determined by such inspector(s) and execute a certificate of any fact found by such inspector(s).

Section 8. Quorum. The Members entitled to cast a majority of the total number of votes entitled to be cast thereat shall constitute a quorum at a meeting of Members for the transaction of any business. The Members present at a duly organized meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum. If a meeting cannot be organized because a quorum has not attended, those present may adjourn the meeting from time to time until a quorum is present, whereupon any business may be transacted that may have been transacted at the meeting as originally called.

Section 9. Voting. Each membership shall entitle the holder thereof to one vote in the election or removal of the Directors of the Corporation, and membership shall not entitle the holder thereof to a vote regarding any other matter. Voting may be conducted by mail, telephone call, telegram, cablegram, electronic mail, or any other means of electronic or telephonic transmission in such manner as the Board of Directors shall determine. In the election or appointment of Directors, a plurality of the votes cast at a meeting at which a quorum is present shall elect.

Section 10. Written Action. Whenever Members are required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken, signed by all of the Members entitled to vote with respect to the subject matter thereof.

Article V. Board of Directors.

Section 1. Governing Body. The business and affairs of the Corporation shall be managed by the Board. Members of the Board (“**Directors**”) need not be residents of the District of Columbia but must be Member Representatives.

Section 2. Number of Directors; Initial Directors. The number of Directors of the Corporation shall be seven. The number of Directors may be increased or decreased from time to time by amendment to these Bylaws; provided, however that the number of Directors of the Corporation shall never be less than seven. No decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director. The initial Directors shall consist of those persons named in the Corporation’s Articles of Incorporation (the “**Articles of Incorporation**”).

Section 3. Functions and Powers. The Board shall have, among others, the following duties and responsibilities:

- (a) to approve the annual budget of the Corporation;
- (b) to elect and remove the President, the Vice President, the Treasurer, the Secretary and other officers of the Corporation;
- (c) to approve nominations of and elect new Members;
- (d) to approve each individual who is designated by a Member to serve as such Member’s Member Representative;
- (e) to designate and appoint committees of the Board as it deems necessary;
- (f) to approve rules of procedure for committees;
- (g) to approve any contract or agreement under which the Corporation would receive or would be obliged to pay \$5,000 or more;

(h) to approve any contract or agreement pursuant to which the Corporation would share administrative services, financial management, staff, reports or fundraising resources with other organizations, either through the Corporation or another entity, and to assign personnel consistent with such contract or agreement;

(i) to approve the commencement of, defense against or intervention in any legal action involving or affecting the Corporation;

(j) to amend the Articles of Incorporation and these Bylaws as may be desirable from time to time;

(k) to authorize the dissolution or liquidation of the Corporation; and

(l) to otherwise control and manage all property, business and affairs of the Corporation, and to adopt any procedure or method of performing its duties, including the delegation of duties, which it believes to be in the best interest of the Corporation, unless otherwise provided by law, the Articles of Incorporation, or these By-laws.

Section 4. Term of Office. Each Director shall be elected to serve for a term of two years plus whatever additional time may be necessary until a successor has been elected or appointed and qualified, with the exception of the initial term of the first Class of Directors as set forth below.

The Directors shall be divided into two classes (“**Classes**”) in respect to term of office. The first Class of Directors shall consist of three Directors, and the term of such first Class shall expire at the second annual meeting of Members; the second Class of Directors shall consist of four Directors, and the term of such second Class shall expire at the third annual meeting of Members. After the expiration of these initial terms, the term of each Class of Directors shall expire at the second annual meeting following its election. At each annual meeting, the Members shall elect such number of Directors as is necessary to fill vacancies in the Class of Directors whose terms expire as of such meeting. The assignment of the initial Directors to their respective Classes shall be made by the Board. Each Director shall serve until his or her successor shall be elected and shall qualify.

Section 5. Vacancy; Increase. In case of a vacancy for any reason, or upon an increase in the number of Directors, the continuing Directors may fill such vacancy or additional Directors by a majority vote of all such continuing Directors.

Section 6. Voting. Except as otherwise provided herein or required by law, all Board actions shall be taken by an affirmative vote of a majority of those present and voting at the time the vote is taken provided a quorum (as set forth in Article VI, Section 2) is present at the time the vote is taken.

Section 7. Removal of Directors. A Director may be removed with or without cause at any time by the affirmative vote of at least two-thirds of the Members, provided that such action is taken at a meeting of the Members called expressly for that purpose.

Section 8. Resignations. Except as otherwise required by law, a Director of the Corporation may resign at any time by giving written notice to the Board or to the Secretary of the Corporation. Such resignation shall take effect at the time specified in such written notice, and unless otherwise specified therein, no acceptance of such resignation shall be necessary to make it effective.

Section 9. Compensation of Directors. The Corporation shall not pay any compensation to Directors for services rendered to the Corporation.

Article VI. Board Meetings.

Section 1. Regular and Special Meetings. Regular meetings of the Board shall be held at least two times during each fiscal year, at such time and place as the Board may determine. Special meetings of the Board may be convened at any time at the request of either the President or any two Directors. Meetings may take place in person, by means of conference telephone, or by any means of other communications by which all persons participating in the meeting are able to hear one another, and such participation shall constitute presence in person at the meeting.

Section 2. Quorum. Unless a greater proportion is required by law, the presence of a majority of the Directors shall constitute a quorum for the transaction of business.

Section 3. Notice of Meetings. Written notice of all Board meetings shall be given by the President or the Secretary to all Directors. Such notice shall specify the date, place and hour of the meeting as well as the purpose for which the meeting is convened. The notice shall be delivered to each Director by hand, by facsimile, by email, or by mail to the number or address designated by such Director for receipt of notices of meetings. The notice shall be delivered, sent, forwarded, or mailed by first-class or express mail not fewer than three days nor more than twenty days prior to the date of the meeting.

Section 4. Waiver of Notice. In the absence of proper notice to all Directors, a valid meeting of the Board may only be held if every Director who was not properly notified executes in writing before or after the meeting a waiver of notice of the meeting and submits it to the President or the Secretary; provided, however, that attendance at a meeting shall constitute waiver of notice unless an attending Director states otherwise in writing to the President or the Secretary.

Section 5. Action Without Meeting. Any Board action may be taken without a Board meeting if a written consent, stating the action so taken, is executed by all Directors. Such written consent shall be filed with the minutes of proceedings of the Board.

Article VII. Committees.

The Board, by resolution adopted by a 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 the resolution, shall have and exercise the authority of the Board. Other committees not having and exercising the authority of the Board in the management of the Corporation may be designated and appointed by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Notwithstanding the foregoing, 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 the Board or such Director by law.

Article VIII. Officers.

Section 1. Officers. The Board shall elect or appoint a President, a Vice President, a Treasurer and a Secretary and may elect or appoint such other officers as the Board may from time to time determine (collectively, the “**Officers**”). If the Board so determines, the Officers of the Corporation may be designated by such other titles as may be provided in the Articles of Incorporation or these Bylaws.

Section 2. Term. Each Officer shall hold office for a term of one year plus whatever additional time may be necessary until a successor has been elected or appointed and qualified.

Section 3. Powers and Duties of Officers. Subject to the control of the Board, all Officers as between themselves and the Corporation shall have such authority and perform such duties in the management of the property and affairs of the Corporation as may be provided in these By-laws or by resolution of the Board and, to the extent not so provided, as generally pertain to their respective offices.

Section 4. President. The President shall serve as the chief executive officer of the Corporation. The President shall (i) supervise and oversee the Corporation’s administrative, legal, fiscal, personnel and public relations programs, (ii) supervise and control all of the affairs of the Corporation in accordance with policies and directives approved by the Board; (iii) perform all duties customary to the offices of President; and (iv) carry out such other duties and responsibilities as may be specified from time to time by the Board. The President shall preside over all Member and Board meetings as provided in these By-laws. The President may delegate any duties of the President to the Vice President.

Section 5. Vice President. The Vice President shall perform such duties as may be assigned by the President or the Board. During any period in which the President is unable or refuses to act, the Vice President shall perform the duties of the President.

Section 6. Treasurer. The Treasurer shall have the custody of, and be responsible for, all funds and securities of the Corporation. The Treasurer shall keep or cause to be kept complete and accurate accounts of receipts and disbursements of the Corporation, and shall deposit all monies and other valuable property of the Corporation in the name and to the credit of the Corporation in such banks or depositories as the Board may designate. Whenever required by the Board, the Treasurer shall render a statement of accounts. The Treasurer shall at all reasonable times exhibit the books and accounts to any Officer or Director of the Corporation, and shall perform all duties incident to the office of Treasurer, subject to the supervision of the

Board, and such other duties as shall from time to time be assigned by the Board or its committees. The Treasurer shall, if required by the Board, give such bond or security for the faithful performance of the Treasurer's duties as the Board may require, at the expense of the Corporation.

Section 7. Secretary. The Secretary shall (i) be responsible for keeping accurate and complete records of the proceedings and meetings of the Board and of the Members; (ii) assist the President in maintaining accurate corporate records; (iii) give or cause to be given all notices in accordance with these By-laws or as required by law; (iv) be the custodian of the corporate seal, if any; (v) carry out such other duties and responsibilities as may be specified from time to time by the Board or its committees; and (vi) perform all duties customary to the office of Secretary.

Section 8. Removal. Any Officer may be removed from office with or without cause by the affirmative vote of a majority of the Board.

Section 9. Vacancies. Any vacancy in an office, through removal or otherwise, shall be filled by the Board for the balance of the term.

Section 10. Compensation. The Corporation shall not pay any compensation to Officers for services rendered to the Corporation.

Article IX. Agents and Employees.

The Board may appoint agents and employees of the Corporation who shall have such authority and perform such services and duties as may be prescribed by the Board. The Board may remove any agent or employee at any time with or without cause. Removal without cause shall be without prejudice to such person's contract rights, if any, and the appointment of such person shall not itself create contract rights.

Article X. Indemnification.

Section 1. Third Party Actions. The Corporation shall indemnify and hold harmless any Officer, Director, agent or employee of the Corporation for which indemnification under this Section 1 is determined by the Board to be appropriate (hereinafter such persons are collectively referred to as “**Corporation Official[s]**”) who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, including all appeals (other than an action, suit or proceeding by or in the right of the Corporation) by reason of the fact that such Corporation Official is or was an Officer, Director, agent or employee of the Corporation, against expenses (including reasonable attorney’s fees), judgments, decrees, fines, penalties and amounts paid in settlement actually and reasonably incurred by the Corporation Official in connection with such action, suit or proceeding if the Corporation Official acted in good faith and in a manner which the Corporation Official reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was not unlawful.

Section 2. Rights After Successful Defense. If no indemnification is accorded under Section 1, to the extent that a Corporation Official has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 or in defense of any claim, issue or matter therein, the Corporation Official shall be indemnified against expenses (including attorney’s fees) actually and reasonably incurred by the Corporation Official in connection therewith.

Section 3. Other Determination of Rights. Except in a situation governed by Section 2, any indemnification under Section 1 (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination by the Board that indemnification of the Corporation Official was proper in the circumstances because such Corporation Official met the applicable standard of conduct set forth in Section 1. Such determination shall be made (a) by a majority vote of Directors acting at a meeting at which a quorum consisting of Directors who were not parties to such action, suit or proceeding are present or (b) if a majority of disinterested Directors so directs, due either to such a quorum not being obtainable or otherwise, by outside legal counsel in a written opinion.

Section 4. Advances of Expenses. Expenses of each person indemnified hereunder incurred in defending a civil, criminal, administrative, or investigation action, suit or proceeding (including all appeals), or threat thereof, may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board whether or not a disinterested quorum exists upon receipt of an undertaking by or on behalf of the Corporation Official to repay such amount unless it shall ultimately be determined that the Corporation Official is entitled to be indemnified by the Corporation.

Section 5. Nonexclusiveness; Heirs. The indemnification provided by this Article X shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled as a matter of law or under the Articles of Incorporation, these By-laws, any agreement, any insurance purchased by the Corporation or otherwise, both as to action in a Corporation Of-

official's official capacity and as to action in another capacity while holding such office and shall continue as to a person who has ceased to be a Corporation Official if the action giving rise to this indemnification occurred while such person was a Corporation Official and shall inure to the benefit of the heirs, executors, and administrators of such a person.

Section 6. Purchase of Insurance. The Corporation may purchase and maintain insurance on behalf of any Corporation Official against any liability asserted against the Corporation Official and incurred by such Corporation Official in any such capacity, or arising out of such Corporation Official's status as such, whether or not the Corporation would otherwise have the power to indemnify the Corporation Official against such liability.

Article XI. Dissolution or Liquidation.

Upon dissolution or liquidation of the Corporation, after all liabilities and obligations of the Corporation shall have been paid, satisfied, and discharged, or adequate provision made therefor, all remaining assets of the Corporation shall be distributed to one or more section 501(c)(6) organizations in accordance with the formulae adopted by the Board.

Article XII. Miscellaneous.

Section 1. Fiscal Year. The fiscal year of the Corporation shall such twelve-month period as may be fixed by the Board.

Section 2. Corporate Seal. If the Board elects to adopt a corporate seal, then the corporate seal shall be circular in form, shall have the name of the Corporation inscribed thereon and shall contain the words "Corporate Seal" and "District of Columbia" and the year the Corporation was formed in the center, or shall be in such other form as may be approved from time to time by the Board.

Section 3. Checks, Notes and Contracts. The Board shall determine who shall be authorized from time to time on the Corporation's behalf to sign checks, drafts, or other orders for payment of money; to sign acceptances, notes, or other evidences of indebtedness; to enter into contracts; or to execute and deliver other documents and instruments.

Section 4. Books and Records to be Kept. The Corporation shall keep at its principal office within or without the District of Columbia (i) correct and complete books and records of account, and (ii) accurate and complete minutes of the proceedings of the Board and any committee having any of the authority of the Board or of the Members.

Section 5. Accounting Principles. The Corporation shall maintain its books and records in accordance with generally accepted accounting principles consistently applied.

Section 6. Funds. All funds of the Corporation shall be kept in such banks or other depositories or in such investments as may be approved, either generally or specifically, by the Board of Directors and shall be held under the auspices of the Treasurer. The Treasurer shall have signature authority over all bank accounts, other depository accounts and investment ac-

counts and shall have authority to execute, on behalf of the Corporation, all documents and instruments relating to the acquisition, purchase, sale or transfer of investment securities.

Section 7. Loans to Directors and Officers. No loans shall be made by the Corporation to its Directors or Officers.

Section 8. Actions to be Taken By a Writing. Any notice, demand, consent, second, resignation, nomination, waiver or other action required or permitted by these By-laws to have been given or taken in writing shall be deemed to have been given or taken in writing if given or taken by handwritten, printed or typewritten document, email, telegram, cablegram or other tangible form.

Section 9. Amendments. The Articles of Incorporation and these By-laws may be amended, when necessary, by the affirmative vote of a five-sevenths majority of the Board. No amendment to the Articles of Incorporation or these By-laws shall be effective which shall adversely affect the status of the Corporation as a tax-exempt organization described in Section 501(c)(6) of the Internal Revenue Code.

These By-laws were approved at a meeting of the Board of Directors of the Corporation on September 26, 2007.

Signed: _____

Name:

Title: Secretary Pro Tem