

BYLAWS OF RECLAIM FINANCIAL, INC.

(A Nonprofit Corporation)

ARTICLE I – NAME AND PURPOSE

Section 1. Name

The name of this organization shall be Reclaim Financial, Inc. ("the Corporation").

Section 2. Purpose

Reclaim Financial, Inc. is organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

The organization's mission is to operate a nonprofit financial technology platform that provides secure, user-focused digital payment services, while allocating a substantial portion of its operational revenue to charitable causes that promote community welfare, education, poverty relief, and social equity.

The organization seeks to:

1. Promote financial transparency, fairness, and ethical alternatives to traditional for-profit financial services.
2. Facilitate community impact by distributing a significant percentage of platform revenue to qualified 501(c)(3) charitable organizations.
3. Ensure all operations prioritize accessibility, inclusion, and social benefit over private profit.

4. Demonstrate that financial services can be structured to serve communities while maintaining operational sustainability.

ARTICLE II – OFFICES

Section 1. Principal Office

The principal office of the Corporation shall be located at XXXX, or at such other place as determined by the Board of Directors.

Section 2. Other Offices

The Corporation may maintain additional offices as necessary for efficient operation and program delivery, as approved by the Board.

ARTICLE III – BOARD OF DIRECTORS

Section 1. General Powers

The Board of Directors ("the Board") shall have full authority to govern, manage, and control the affairs and property of the Corporation, consistent with these Bylaws, the Articles of Incorporation, and applicable law.

Section 2. Number, Composition, and Independence

The Board shall consist of no fewer than three (3) and no more than seven (7) Directors. The exact number shall be determined by resolution of the Board.

At least a majority of the Board must consist of independent Directors who:

- Are not employees of the Corporation
- Do not have a material financial relationship with the Corporation
- Do not have an immediate family member who is an employee or has a material financial relationship with the Corporation

No more than two (2) Directors may be compensated employees or officers of the Corporation.

Section 3. Election and Tenure

Directors shall be elected by a majority vote of the sitting Board. Each Director shall serve a term of three (3) years, renewable upon Board approval. Terms may be staggered to maintain continuity.

Section 4. Vacancies

Vacancies occurring between elections may be filled by the remaining Directors. A Director elected to fill a vacancy shall serve the remainder of the unexpired term.

Section 5. Removal and Resignation

Any Director may be removed, with or without cause, by a two-thirds (2/3) vote of the remaining Board members. A Director may resign at any time by written notice to the Board.

Section 6. Meetings

The Board shall meet at least quarterly, with additional meetings as needed. Notice shall be given at least seven (7) days in advance, unless waived by unanimous written consent. Meetings may be held in person or by electronic means that allow all participants to communicate simultaneously.

Section 7. Quorum and Voting

A majority of current Directors shall constitute a quorum for the transaction of business. Decisions shall be made by simple majority vote of Directors present, unless otherwise specified in these Bylaws.

Section 8. Compensation

Directors shall serve without compensation for their service as Directors. However, Directors may receive reasonable compensation for professional services rendered to the Corporation in their individual capacity (such as consulting, technical services, operations management, or other specialized work), provided that:

(a) Such compensation is approved in advance by the disinterested members of the Board;

(b) The compensation represents fair market value for services actually rendered;

(c) The arrangement is documented in Board minutes with full disclosure of the nature of services and compensation;

(d) All compensation complies with the Corporation's wage policy limiting maximum compensation to no more than 25% above the established living wage baseline; and

(e) The compensated Director recuses themselves from any vote regarding their own compensation.

Directors may be reimbursed for reasonable expenses incurred in the performance of their duties.

ARTICLE IV – OFFICERS

Section 1. Officers

The officers of the Corporation shall consist of a President (or Chief Executive Officer), a Secretary, and a Treasurer, and such additional officers as the Board may designate.

Section 2. Election and Term

Officers shall be elected annually by the Board and serve for one (1) year or until successors are elected and qualified.

Section 3. Duties

President / CEO: Provides executive leadership, oversees day-to-day operations, represents the organization publicly, ensures implementation of Board decisions, and reports regularly to the Board on organizational performance.

Secretary: Maintains official corporate records, meeting minutes, compliance documents, and ensures proper notice of meetings. Certifies Board actions when required.

Treasurer: Oversees financial management, budgeting, financial reporting to the Board, and ensures compliance with fiscal policies and applicable laws.

Section 4. Removal

An officer may be removed by a majority vote of the Board if their actions are inconsistent with the Corporation's mission, fiduciary duty, or these Bylaws.

ARTICLE V – COMMITTEES

Section 1. Standing Committees

The Board may establish standing committees to support key areas of operation, including but not limited to:

Finance and Audit Committee: Oversees budgeting, financial reporting, audit coordination, compliance monitoring, and quarterly transparency reporting.

Ethics and Compliance Committee: Reviews internal policies, legal and regulatory compliance, conflict of interest disclosures, and financial integrity matters.

Charitable Distributions Committee: Manages the selection and vetting of charitable recipients, monitors charitable distributions, evaluates community input, ensures compliance with 501(c)(3) requirements for grantmaking, and maintains records of all charitable allocations.

Section 2. Ad Hoc Committees

The Board may form temporary committees as necessary for specific tasks, projects, or strategic initiatives.

Section 3. Committee Authority

Committees shall operate under written charters approved by the Board. Committees have advisory authority only and may not bind the Corporation without full Board approval. All committees shall report regularly to the Board on activities, findings, and recommendations.

ARTICLE VI – FISCAL POLICIES AND OPERATIONS

Section 1. Fiscal Year

The fiscal year shall begin on January 1 and end on December 31.

Section 2. Salaries and Compensation

The Corporation shall provide fair and reasonable compensation to employees and officers, determined by comparable market data for nonprofit organizations of similar size and mission.

All compensation shall be subject to the following wage policy:

- Compensation shall be based on a comfortable living wage benchmark, currently established at \$65,000 annually for full-time employees in the organization's primary operating region.
- No employee, officer, or compensated Director shall receive total annual compensation (including salary, bonuses, and benefits) exceeding 125% of the established living wage benchmark.
- The maximum annual compensation shall not exceed \$85,000 for any individual.

All compensation decisions must be approved by the Finance Committee and documented with comparable salary data. Compensation information shall be included in annual public transparency reports.

Section 3. Financial Transparency

The Corporation is committed to complete financial transparency. The Corporation shall publish comprehensive quarterly public reports disclosing:

- (a) Total transaction volume processed through the platform;
- (b) Total revenues, separated by source (instant transfer fees, credit card processing fees, debit card interchange revenue, business account fees, and any other revenue sources);
- (c) Total operating expenses with detailed breakdown by category (personnel, technology, compliance, banking partnerships, marketing, administrative, and other);

(d) Charitable distributions, including the name of each recipient organization, amount distributed, and purpose;

(e) Compensation of all officers, Directors receiving compensation for services, and any employee earning more than \$50,000 annually;

(f) User growth metrics including total registered users, active users, and user retention data;

(g) Progress toward strategic goals and milestones.

All quarterly reports shall be made available on the Corporation's website and provided to any member of the public upon request. The Corporation shall also file annual Form 990 with the IRS as required by law, which shall be publicly available.

Section 4. Charitable Distributions

(a) Allocation Percentage:

The Corporation shall allocate thirty-five percent (35%) of net operational revenue to charitable distributions. Net operational revenue is defined as gross revenue from all sources minus direct costs of revenue generation (such as payment network fees, transaction processing costs, and fraud losses).

(b) Restricted Charitable Fund:

All funds designated for charitable distribution shall be deposited into a separate restricted charitable fund maintained by the Corporation. These funds shall be segregated from operating funds and used exclusively for charitable distributions to qualified organizations.

(c) Distribution Schedule:

Charitable distributions shall be made on a quarterly basis, within 30 days of the end of each fiscal quarter, unless the Board determines that accumulated funds should be retained temporarily to ensure meaningful grant sizes or to respond to urgent community needs.

(d) Recipient Selection and Vetting:

Charitable recipients shall be selected by the Board of Directors based on community input, platform user feedback, and alignment with the Corporation's mission. The Charitable Distributions Committee shall:

- Verify that all potential recipients are qualified 501(c)(3) organizations in good standing with the IRS;
- Conduct due diligence on recipient organizations including review of Form 990, financial stability, and programmatic effectiveness;
- Solicit and consider input from platform users regarding causes and organizations to support;
- Present vetted recommendations to the full Board for approval;
- Maintain records of all charitable distributions including recipient verification documents.

The Board retains final authority and responsibility for all charitable distribution decisions to ensure compliance with 501(c)(3) requirements.

(e) Prohibited Recipients:

No charitable distributions shall be made to:

- Organizations that are not tax-exempt under Section 501(c)(3);
- Private foundations or supporting organizations (as defined in IRS regulations);
- Organizations controlled by Directors, officers, or employees of the Corporation;
- Organizations that would provide private benefit to any Director, officer, employee, or their family members.

Section 5. Banking Partnerships and Financial Services

The Corporation is authorized to enter into partnerships, agreements, and contracts with licensed financial institutions, Banking-as-a-Service (BaaS) providers, payment processors, and other financial service providers as necessary to fulfill its mission of operating a financial technology platform.

All such partnerships must:

- Ensure user funds are held by FDIC-insured financial institutions;
- Comply with all applicable state and federal banking regulations;
- Include appropriate data security, privacy, and consumer protection provisions;
- Be reviewed and approved by the Board or its designated Finance Committee.

ARTICLE VII – REGULATORY COMPLIANCE

Section 1. Financial Services Compliance

The Corporation shall maintain compliance with all applicable federal and state laws and regulations governing financial services, including but not limited to:

- (a) Bank Secrecy Act (BSA) and Anti-Money Laundering (AML) requirements;
- (b) Know Your Customer (KYC) and Customer Identification Program (CIP) requirements;
- (c) State money transmitter licensing requirements in all jurisdictions where the Corporation operates;
- (d) Consumer Financial Protection Bureau (CFPB) regulations;

(e) Electronic Fund Transfer Act (EFTA) and Regulation E;

(f) Payment Card Industry Data Security Standard (PCI DSS);

(g) All other applicable federal and state consumer protection laws.

Section 2. Compliance Officer

The Board may designate a Compliance Officer responsible for monitoring regulatory requirements, implementing compliance programs, and reporting to the Board on compliance matters.

Section 3. Audits and Examinations

The Corporation shall cooperate fully with any audits, examinations, or investigations by regulatory authorities, and shall maintain all records required by applicable law.

ARTICLE VIII - DATA PRIVACY AND SECURITY

Section 1. User Data Protection

The Corporation shall implement and maintain comprehensive policies and procedures to protect user data, including:

(a) Collection of only data necessary for platform operation and regulatory compliance;

(b) Secure storage of all personally identifiable information using industry-standard encryption;

(c) Limited access to user data restricted to authorized personnel with legitimate business need;

(d) Regular security audits and penetration testing;

(e) Written privacy policy made available to all users describing data collection, use, and protection practices.

Section 2. Security Standards

The Corporation shall maintain information security standards consistent with industry best practices, including:

(a) Multi-factor authentication for access to sensitive systems;

(b) Regular security training for all employees;

(c) Incident response and breach notification procedures;

(d) Regular software updates and security patching;

(e) Third-party security assessments at least annually.

Section 3. Breach Notification

In the event of any data breach or unauthorized access to user information, the Corporation shall:

(a) Immediately investigate the scope and impact of the breach;

(b) Notify affected users within 72 hours of discovery, unless law enforcement requests delay;

(c) Notify appropriate regulatory authorities as required by law;

(d) Take immediate steps to contain and remediate the breach;

(e) Provide affected users with information about protective measures they can take.

ARTICLE IX – CONFLICT OF INTEREST

Section 1. Policy

Directors, officers, and employees must disclose any personal interest, financial or otherwise, in any matter affecting the Corporation. No individual may participate in decisions that would directly benefit them financially or provide private benefit to them or their immediate family members.

Section 2. Annual Disclosure

Each Director and officer shall annually complete a written conflict of interest disclosure statement identifying:

(a) Any business relationships or financial interests that could pose conflicts;

(b) Any relationships with other nonprofit organizations;

(c) Any relationships with vendors, partners, or service providers;

(d) Any other circumstances that could create actual or perceived conflicts.

Section 3. Procedure

When a conflict of interest is identified:

(a) The conflicted individual shall disclose the conflict to the Board;

(b) The disclosure shall be documented in meeting minutes;

(c) The conflicted individual shall recuse themselves from deliberation and voting on the matter;

(d) The conflicted individual may provide factual information if requested, but shall not participate in the decision;

(e) The remaining disinterested Directors shall determine whether to proceed with the transaction and on what terms.

ARTICLE X – INDEMNIFICATION

To the fullest extent permitted by Maryland law, the Corporation shall indemnify its Directors, officers, employees, and volunteers against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding arising from their service to the organization, provided that:

(a) The individual acted in good faith;

(b) The individual reasonably believed their conduct was in the Corporation's best interests (or at least not opposed to the Corporation's best interests); and

(c) In the case of criminal proceedings, the individual had no reasonable cause to believe their conduct was unlawful.

The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee, or volunteer against any liability asserted against them or incurred by them in such capacity.

ARTICLE XI – RECORDS AND TRANSPARENCY

Section 1. Corporate Records

The Corporation shall maintain accurate and complete records including:

(a) Articles of Incorporation and all amendments;

(b) These Bylaws and all amendments;

(c) Minutes of all Board and committee meetings;

(d) Financial records including ledgers, bank statements, and audit reports;

(e) Annual IRS Form 990 filings;

(f) Conflict of interest disclosure statements;

(g) All contracts, agreements, and legal documents;

(h) Charitable distribution records.

Section 2. Public Access

All corporate records shall be made available for public inspection consistent with applicable law and donor privacy protections, with the exception of:

(a) Individual user account information and transaction details;

(b) Proprietary technology and trade secrets;

(c) Personnel records of employees;

(d) Information protected by attorney-client privilege;

(e) Security procedures and protocols that could compromise platform security.

Requests for records shall be submitted in writing and fulfilled within 30 days.

ARTICLE XII – AMENDMENTS

Section 1. Amendment Process

These Bylaws may be amended or repealed by a two-thirds (2/3) vote of the Board of Directors at any regular or special meeting, provided that:

- (a) Written notice of the proposed amendment has been given to all Directors at least seven (7) days prior to the vote;
- (b) The notice includes the full text of the proposed amendment;
- (c) A quorum of Directors is present for the vote.

Section 2. Preservation of Tax-Exempt Status

Notwithstanding Section 1, no amendment shall be adopted that would:

- (a) Cause the Corporation to cease to qualify as an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code;
- (b) Eliminate or substantially reduce the charitable distribution requirement established in Article VI, Section 4;
- (c) Permit private inurement or private benefit inconsistent with Section 501(c)(3) requirements;
- (d) Violate the dedication of assets provision required for tax-exempt status; or
- (e) Otherwise jeopardize the Corporation's nonprofit, tax-exempt status.

Any proposed amendment that could potentially affect tax-exempt status must be reviewed by legal counsel specializing in nonprofit tax law before Board consideration.

ARTICLE XIII – DISSOLUTION

Upon dissolution of the Corporation, the Board of Directors shall, after paying or making provision for payment of all liabilities of the Corporation, distribute all remaining assets to one or more organizations that:

(a) Qualify as tax-exempt under Section 501(c)(3) of the Internal Revenue Code and Section 501(a);

(b) Have purposes similar to those of this Corporation; and

(c) Are selected by the Board in accordance with applicable law.

No assets shall be distributed to any Director, officer, or private individual. Any assets not disposed of by the Board shall be disposed of by a court of competent jurisdiction in the county where the principal office is located, exclusively for charitable purposes consistent with Section 501(c)(3) of the Internal Revenue Code.

CERTIFICATION

These Bylaws were adopted by the Board of Directors of Reclaim Financial, Inc. on the ____ day of _____, 2025.

SIGNATURES:

Steven Reid, President/Chief Executive Officer

[Name], Secretary

Date