

Microfinancial Incorporated

Strategic Planning Committee Charter

A. Purpose

The Strategic Planning Committee (the "Committee") of the Microfinancial Incorporated (the "Company") Board of Directors (the "Board") shall review and assess the long-range strategic objectives of Company, and ensure that the Company's, strategies, priorities and policies are consistent with the Company's overriding goals of creating and building long-term sustainable value for its shareholders, and carrying out its business in accordance with its values.

B. Authority and Responsibilities

In furtherance of the Committee's purpose, and in addition to any other responsibilities which may be assigned by the Board, the Committee shall:

1. Review and make recommendations to the Board regarding a statement of business purpose for the Company, prepared by Management.
2. Provide guidance to Management in the development of a long-term strategic plan (as separate from the annual operating plan); review and recommend to the Board for approval the long-term business objectives and a strategic plan for the Company, prepared by Management.
3. Act as a resource to Management, and other Committees of the Board as appropriate, to review or to develop critical policies prepared by Management, that must be consistent with and reinforcing of long-term Company goals, including performance metrics, business structure and capital allocation. Review and recommend to the Board, or other committees of the Board as appropriate, approval of such policies.
4. Assess resource allocations decided by Management with respect to consistency with the long-term business objectives and strategic plan of the Company.
5. Review the Company's performance on major capital investment projects versus original projections.
6. Review with Management, and make recommendations to the Board regarding, Management proposals concerning significant changes in the business operations; new and/or discontinued lines of business; asset or stock purchases or sale transactions; acquisitions, mergers and other combinations.
7. Request and review such reports from Management as it may require in carrying out its assigned responsibilities.
8. Meet with Chief Executive Officer/Management team as necessary or appropriate, in the discretion of the Committee.

C. Structure and Membership

1. Number. The Committee shall consist of at least three (3) members of the Board.
2. Independence. A majority of Committee members shall be “independent” Directors, as defined by the independence standards adopted by the Board.
3. Chairman. The Board shall elect the Chairman of the Committee, who shall be an independent Director.
4. Compensation. The compensation of Committee members shall be determined by the Board.
5. Selection and Removal. Members of the Committee shall be appointed by the Board. The Board may remove members of the Committee from the Committee, with or without cause.

D. Procedures and Administration.

1. Meetings. The Committee shall meet as often as it deems necessary in order to perform its responsibilities. The Committee may also act by unanimous written consent in lieu of a meeting. The Committee shall keep minutes of its meetings that are distributed to each member of the Committee, to the Chairman of Board and the Secretary of the Company in the event that the Secretary is not in attendance.
2. Subcommittees. The Committee may form and delegate authority to one or more subcommittees (including a subcommittee consisting of a single member) as it deems appropriate from time to time under the circumstances.
3. Reports to the Board. The Committee shall report to the Board from time to time, or whenever requested to do so by the Board.
4. Charter. The Committee shall periodically review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
5. Independent Advisors. The Committee may retain independent advisors on matters relevant to the Committee’s work, provided it informs the Board. Reasonable and customary out-of-pocket and ordinary fees and expenses shall be borne or reimbursed by the Company.
6. Annual Self-Evaluation. At least annually, the Committee shall evaluate its performance. The Chair of the Committee, together with the Chairman of the Board, shall determine the form and nature of the annual self-evaluation.