

# Membership Terms and Conditions

## GENERAL PROVISIONS ON MEMBERSHIP AND DEPOSITS

### MEMBERSHIP APPLICATION

Documents required in opening membership must be submitted to BESALA. BESALA is authorized to obtain and verify information relating to its Member from government agencies or third parties including banks, financial institutions and credit bureaus to verify information provided by Member, conduct a background check on the financial capability of the Member or for other purposes as BESALA may require.

### BENEFITS AS A MEMBER

- Members are the owners of BESALA and as such, they share in the PROFITS earned by the association in the form of Cash Dividends declared every year.
- Members can open Savings Account that earns interest income higher than the prevailing bank rate and is tax-free.
- Members are covered by the MUTUAL DEATH AID BENEFIT PROGRAM.
- Loan availments- SALARY LOAN, EMERGENCY LOAN, MEDIUM TERM LOAN, BACK TO BACK LOAN

### MEMBERS CLASSIFICATION

- Active Members - These members are currently employed at Coca-Cola Beverage Group, or BESALA with a minimum capital contribution balance of P2,000.00. Exceptions are those members who are building up their capital contributions.
- Retired Active Members – These members are categorized as “Retired (Coca-Cola) /Active (BESALA)”. Members who have retired from Coca-Cola Beverage Group but continued their membership at BESALA on a voluntary basis within one (1) year from the date of their retirement. All outstanding loans must have been paid from their retirement proceeds and their combined balance of Capital Contributions and Savings Deposit must not fall below P10,000. Retired Active members shall be eligible to avail of new loans only up to the extent of their combined capital contributions and savings deposits (Back-to-Back Loans).
- Resigned Members - These are members who have ceased their membership with BESALA (Voluntary and Involuntary due to Retirement/Resignation)

### REACTIVATION OF MEMBERSHIP

Re-activation of Membership is allowed for former members who are still employed with Coca-Cola Beverage group. Requirements for Re-activation of Membership are the same as new membership.

Retired/Resigned Coca-Cola Employees are allowed to RE-ACTIVATE their membership with BESALA within one (1) year from separation date.

### RIGHTS AND PRIVILEGES AS A MEMBER

Rights to dividend – BESALA members are co-owners of the association, hence they are entitled to a share in net income through dividends.

Right to vote – BESALA members have the right to vote during the annual membership meeting of the association.

### CAPITAL CONTRIBUTION

Every BESALA Member must deposit/maintain at least P2,000.00 in his Capital Contribution Account in order to be a member of BESALA. Capital contribution earns dividends, dividend rate depends on the performance of the association and is subject to the approval of BSP. Members can earn cash dividends that historically ranged from 15% to 20% per year based on their average capital contribution and is tax-free.

### CLASSIFICATION OF CAPITAL CONTRIBUTION

*Fixed/Non-withdrawable capital contribution* - This amount cannot be withdrawn for the duration of membership with BESALA. This amount ranges from 2,000 – 45,454.54. Member must choose what fixed amount of capital contribution he wishes to save by filling up the Capital Contribution Declaration Form. The fixed amount may be increased but once increased it may no longer be reduced.

Any deposit amount in excess of Declared Capital Contribution Ceiling shall be credited directly to the Savings Deposit account of the member. Moreover, any Capital Contribution deposit in excess of P1,000.00 maximum monthly deposit shall be credited directly to Savings Deposit account of the member.

### SAVINGS DEPOSIT

BESALA Members may deposit to their Savings Deposit Account aside from their Capital Contribution Account. Savings Deposit earns interest higher than other Banks.

Dividends and Interest earned are tax-exempt.

### TERMINATION OF MEMBERSHIP

Voluntary Resignation – Members may terminate their membership with BESALA provided that they have NO Remaining Loan/Accountabilities with BESALA. Member must submit a resignation letter and withdrawal form to withdraw their remaining Capital Contribution and Savings Deposit.

Involuntary Resignation – Members who were separated from Coca-Cola due to resignation/retirement shall cease their membership with BESALA. Any remaining Capital Contribution and Savings Deposit Balance after offsetting loan/accountabilities with BESALA shall be disbursed accordingly. However, they have the option to re-activate their BESALA membership within one (1) year from separation date.

### TREATMENT OF THE REMAINING BALANCE OF RESIGNED MEMBER

A check shall be prepared in favor of the former BESALA member with a remaining Capital Contribution and Savings Deposit balance amounting to P1,000.00 and above. The assigned Account Analyst shall notify the member of his unclaimed Capital Contribution/Savings Deposit Account.

The unclaimed balance of Retired/Resigned Members shall be credited to the following accounts:

- Miscellaneous Liabilities* - for unclaimed Savings Deposit. This account will automatically charge a Dormancy Fee of Thirty Pesos (P30.00) every month after two (2) years of inactivity.
- Accounts Payable* - for unclaimed Capital Contribution and Dividends.

These will apply to both staled checks and unclaimed balances below P1,000.00.

## WITHDRAWAL OF DEPOSIT

Members are allowed to withdraw their combined capital contribution and savings deposit up to the excess amount only of Restricted Value. The Restricted Value is the combined amount of Fixed Capital Contribution declared and forty percent (40%) of the outstanding principal loan (Salary, Emergency and Medium Term Loan), while one hundred percent (100%) for Back to Back Loan. The restricted value will serve as fall back of BESALA in case the borrower fails to pay his amortization due.

## GENERAL PROVISIONS ON LOANS

Only BESALA Members are eligible to avail of loan products of BESALA. The following are the loan products offered by BESALA to its Members:

**Salary Loan**, this type of loan is in nature of a consumer loan that can be availed by members for purposes of financing personal and household needs such as purchases of appliances and other minor purchases, payment of tuition fees, credit cards, and other short-term liabilities. The interest rate for this type of loan is 12% per annum based on diminishing balance.

**Emergency Loan**, this type of loan can be availed by a member for the purpose of funding immediate expenses such as funeral expenses, hospitalization, calamity or fortuitous events etc. The interest rate for this type of loan is 12% per annum based on diminishing balance.

**Medium Term Loan**, this type of loan provides qualified members with higher loanable amount and longer payment terms subject to BSP single borrower's limit. The interest rate for this type of loan is 10.47% per annum based on diminishing balance.

**Back to Back Loan**, this type of Loan is also called a Capital Loan as this loan attaches the Capital Contribution and Savings Deposits, if any, of the member as a lien to secure the amount of loan. The loanable amount, therefore, shall be based on the amount of the Capital Contribution and Savings Deposit of the member. However, the member-borrower may withdraw from his/her capital contribution and/or savings deposit only the amount in excess of his/her outstanding back-to-back loan.

### Payment Terms and Interest Rates\*

Loan Type	Loanable Amount	Term	Interest Rate
Salary Loan & Emergency Loan	P10,000.00 – P700,000.00	3 months – 36 months	12% per annum
Salary Loan & Emergency Loan	P50,000.00 – P145,000.00	48 months – 60 months	12% per annum
Back to Back Loan	P10,000 – P1,000,000	3 months – 60 months	12% per annum
Medium Term Loan	P150,000.00 – P700,000.00	48 months – 60 months	10.25% - 10.47% per annum

\*Interest is computed based on diminishing balance. The remaining unamortized interest is no longer collected if the loan is renewed/paid before its maturity.

### Other Finance Charges

**Service fee** – A minimal fee of 3% is charged based on the principal amount of loan granted.

### Documentary Stamp Tax (DST);

- Salary, Emergency and Medium Term Loans above P250,000.00 are subject to DST of P1.50 for every P200.00.
- Back to Back Loans regardless of loan amount are subject to DST of P1.50 for every P200.00.

**Notarial Fee** – Only Back to Back Loans are subject to a fixed notarial fee of P300.00

### LOANABLE AMOUNT AND TERM OF LOAN

The loanable amount and term of the loan will depend on the following factors: (1) Number of Years in Service; (2) Net Disposable Income; (3) BSP Single Borrowers Limit; (4) Credit History (5) Other variable income. The loanable amount shall be evaluated by the Account Analyst and shall be approved by the Credit Committee.

### LOAN CANCELLATION

The borrower has a cooling-off period of two (2) days from the date of signing the loan application and promissory note or release of loan proceeds whichever comes later, in which he/she can cancel his loan without penalty to the borrower. But BESALA shall collect or recover any amount incidental to the processing of the loan.

### RENEWAL OF LOANS

Renewal of an existing loan can be made only if the principal is at least 30% paid and the remaining balance is deducted from the new loan as overlapping of the same loan is not allowed.

### REMAINING LOAN BALANCE OF RESIGNED MEMBERS

The Loan of a Resigned member due to Involuntary Resignation after offsetting final pay from Coca-Cola will be due and demandable. However, the Resigned members may opt to continue paying the remaining balance through over-the-counter with BESALA or direct deposit to the depository bank of BESALA. If the member fails to do so, BESALA shall issue a demand letter to the Principal Borrower and/or initiate legal action to protect the interest of BESALA.

### MUTUAL DEATH AID BENEFIT PROGRAM

It is a program wherein upon the death of a member, the rest of the members will contribute P30.00 each or any amount that may be set by the Board as “abuloy”.

*By signing below, I hereby affirm that the features, requirements and benefits of BESALA's products and services were fully disclosed and explained clearly to me by BESALA. I further declare that I have fully understood and agreed to be governed by the rules and regulations of the BESALA's product and services.*

*I hereby authorize BESALA to deduct my “abuloy” share from my capital contribution and/or Savings deposit upon the death of a BESALA member.*

Signature over Printed Name \_\_\_\_\_

Date: \_\_\_\_\_