

# 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 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 better 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 Capital Contributions 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. Re-activation of Membership requirements are the same as new membership.

Re-activation of Membership is allowed to those RETIRED Coca-Cola Employees provided that he is an ACTIVE Member within one (1) year from the date of his retirement.

### RIGHTS AND PRIVILEGES AS A MEMBER

Rights to dividend - BESALA member is a co-owner of the association, hence he is entitled in a share in net income thru dividends.

Right to vote - BESALA member has the right to vote every 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 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 his 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 Capital Contribution Declaration Form. The fixed amount can be increased but once increased it can longer be reduced.

**Withdrawable Capital Contribution** - This amount can be withdrawn by the member anytime. The maximum amount of withdrawable capital contribution is ten (10) times of set fixed/non-withdrawable capital contribution. Any amount in excess of Withdrawable Capital Contribution shall be credited directly to Savings Deposit account of the member.

### SAVINGS DEPOSIT

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

Dividends and Interest earned are tax-exempt.

### TERMINATION OF MEMBERSHIP

**Voluntary Resignation** - Member may terminate his membership with BESALA provided that he has NO Remaining Loan/Accountabilities with BESALA. Members must submit 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.

### TREATMENT OF THE REMAINING BALANCE OF RESIGNED MEMBER

A check payable shall be prepared for 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 Persos (P30.00) every month after 2 years of inactivity.
- Accounts Payable*, for unclaimed Capital Contribution.

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

## 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 of 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. Interest rate for this type of loan is 12% per annum based on diminishing balance.

**Emergency Loan**, this type of loan can be availed of by a member for purpose of funding immediate expenses related to death of a family member, hospitalization not covered by health benefits, calamity or fortuitous events and other circumstances beyond the control of a member. 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. 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 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. As the loan is sufficiently secured, no co-makers are required. However, the member-borrower may withdraw his 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	Eligible Member
Salary, Emergency & Back to Back Loan	P10,000.00 - P500,000.00	6 months - 36 months	12% per annum	Regular Employees
Salary Loan & Emergency Loan	P100,000.00 - P145,000.00	48 months - 60 months	12% per annum	Min. of 2 years in service
Medium Term Loan	P150,000.00 - P700,000.00	48 months - 60 months	10.25% - 10.47% per annum	Min. of 5 years in service

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

### Other Finance Charges

**Service fee** - A minimal fee of 2% 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 fixed notarial fee of P300.00

### LOANABLE AMOUNT AND NUMBER OF CO-MAKERS

Loan Amount		Loan Eligibility based on the Number of Years in Service										
		Newly Regular below 1 year in service		More than 1 year but below 2 years in service		2 years above but below 4 years in service		4 years above but below 15 years in service		15 years and above in service		
Loan Type	Over	Not Over	No. of Co-makers	Terms	No. of Co-makers	Terms	No. of Co-makers	Terms	No. of Co-makers	Terms	No. of Co-makers	Terms
SL, EL	10,000.00	45,000.00	3	1-3 years	3	1-3 years	3	1-3 years	3	1-3 years	3	1-3 years
SL, EL	45,000.00	50,000.00	4	1-3 years	4	1-3 years	4	1-3 years	4	1-3 years	4	1-3 years
SL, EL	50,000.00	70,000.00	4	1-3 years	4	1-3 years	4	1-5 years	4	1-5 years	3	1-5 years
SL, EL	70,000.00	75,000.00	4	1-3 years	4	1-3 years	4	1-5 years	4	1-5 years	3	1-5 years
SL, EL	75,000.00	95,000.00	4	1-3 years	4	1-3 years	4	1-5 years	4	1-5 years	3	1-5 years
SL, EL	95,000.00	100,000.00	5	1-3 years	5	1-3 years	5	1-5 years	5	1-5 years	3	1-5 years
SL, EL	100,000.00	145,000.00					5	1-5 years	5	1-5 years	4	1-5 years
SL, EL	145,000.00	150,000.00					6	1-3 years	6	1-5 years	4	1-5 years
SL, EL, MTL	150,000.00	195,000.00					6	1-3 years	6	1-5 years	4	1-5 years
SL, EL, MTL	195,000.00	200,000.00					7	1-3 years	7	1-5 years	4	1-5 years
SL, EL, MTL	200,000.00	245,000.00					7	1-3 years	7	1-5 years	5	1-5 years
SL, EL, MTL	245,000.00	300,000.00					8	1-3 years	8	1-5 years	5	1-5 years
SL, EL, MTL	300,000.00	500,000.00					9	1-3 years	9	1-5 years	5	1-5 years
SL, EL, MTL	500,000.00	700,000.00					9	1-3 years	9	1-5 years	6	1-5 years

### LOAN CANCELLATION

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 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 Resigned member due to Involuntary Resignation after offsetting final pay from Coca-Cola will be charged against active co-makers of the principal borrower. Demand letter will be sent subsequently to the Principal Borrower to protect the interest of BESALA and the Co-makers affected.

### 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 as "abulyo".

*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.*

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Signature over Printed Name

Date