

REGULATION FOR SCHOLARSHIP PROGRAM

ARTICLE 1: The main objectives of the Scholarship Program will be the following:

1. Encourage the members and children of the members to maintain study habits, academic improvements, cooperation and punctuality.
2. Grant an economic reward, on behalf of the Cooperative, to the member or children of the member that are favored for their merits and credits in the scholarship program.
3. Grant scholarship as a social benefit.

ARTICLE 2: All members of the Scholarship Committee will be designated each year by the Board of Directors.

ARTICLE 3: This committee will be constituted as follows: Two (2) members of the Board of Directors, who will be the Coordinator and Sub-coordinator, respectively; three (3) Delegates named by the Board of Directors, two (2) of them as Principals and one (1) Delegate as Alternate. The Coordinator of the Committee will abstain from voting; however, on matters in which is required, will have the casting vote.

ARTICLE 4: The structure of the committee will be constituted in this way: once Coordinator, once Vice-Coordinator, one Secretary and one alternate.

ARTICLE 5: This Commission will be advised on financial issues by the General Management.

ARTICLE 6: Will be functions of the Scholarship Committee the following:

1. Choose their Board, except the Coordinator and Sub-Coordinator.
2. Ensure compliance of objectives, requirements, procedures and other dispositions of this regulation that is related to the Scholarship Committee.
3. Make the call and publication of the scholarship competition.
4. Gather the members for the selection of the scholarship holders.
5. Make the necessary meetings for monitoring and program effectiveness.
6. Prepare an annual report of the program and prepare all those requested by the Board of Directors.
7. Keep a book of minutes.

ARTICLE 7: For ordinary or extraordinary meetings, of the Scholarship Committee, shall be required as statutory quorum, the presence of three (3) members.

ARTICLE 8: Scholarship will consist of cash, and the amount determined by the Board of Directors for each student, according to the level of study. The same will be delivered in installments, according to the corresponding academic year and shall be deposited in the associate benefit account payable and withdrawn by means of an ATM debit card or withdrawal slip.

The member will have up to six (6) months for its withdrawal, otherwise shall be transferred back to the scholarship reserve.

ARTICLE 9: The number of scholarships that will be awarded each year by the Cooperative will depend on the capacity of the corresponding fund.

ARTICLE 10: Every scholarship granted will have a fixed term, established by the Board of Directors:

ARTICLE 11: The Scholarship Committee shall declare null and void the scholarship competition for the following reasons:

1. When there are no candidates.
2. When none of the candidates meets the established requirements.

ARTICLE 12: If the scholarship competition is declared null and void, the Committee shall conduct a second call within the following five (5) days.

ARTICLE 13: The requirements that the students must meet in order to apply for the scholarship program are:

1. Be a member and be up to date in his socioeconomic obligations with the Cooperative.
2. Be son of a member with the conditions indicated in numeral 1.
3. For students of first and second level (elementary, junior and senior high school) must have a minimum average grade of 4.0; for members in third level (higher education, non-university and university) must have a minimum index of 1.2 and children of associates must have a minimum index of 1.5.
4. Be registered in an official or private educational center, located in the Republic of Panama.
5. Having approved at least, the second grade of elementary school.

6. Study in the corresponding academic level opened for competition.
7. Have no other type of scholarship benefit
8. In the event of a university member and son of member, must be enrolled in at least four (4) subjects.

ARTICLE 14: Candidates to the Scholarship Program must submit the following documents.

1. Authenticated copy of the birth certificate, for all levels.
2. School records of the immediate school period (report card duly certified by the school or official university credits).
3. Evidence of registration in original and copy.

ARTICLE 15: For the selection of the scholarship holder it will be taken into account the correspondent criteria and percentages, established by the Board of Directors:

1. Highest overall average up to one thousandth of the candidate
2. Years of service of the member in the Cooperative

ARTICLE 16: The benefit of this scholarship will not be extended to more than one student per family, regardless of the number of members that are a part thereof.

ARTICLE 17: Will not participate of the Scholarship Program the beneficiaries and members that have received scholarships in one (1) year and in order to apply once again, there must be an interval of at least two (2) years of being granted. Will be excluded from the benefit of scholarship competition the directors, coordinators, sub-coordinators of chapters, employees and their corresponding children that are not members.

ARTICLE 18: The three (3) scholarship holders of the elementary, junior and senior high school levels with an academic index of 2.75 will have the right to compete for one more year, as an incentive to his academic achievement.

ARTICLE 19: The benefit of the scholarship will be lost for the following reasons:

1. Removal from the study centre during the school year of the scholarship benefit.
2. Not being able to continue for any reason, except for cases of proven illness. This cases will have the opportunity to comply with the plan of study in the terms determines by the school or Ministry of Education and the Cooperative will

guarantee the payments, once received the corresponding certification, before the next school year begins.

3. The acceptance of any other type of scholarship, school subsidy or economic help whether temporal or permanent.
4. Having submitted altered or falsified documents to obtain the scholarship benefit.
5. Failure to comply with commitments and requirements established in this regulation.
6. If the member, father or mother of the scholarship holder fails to comply with its economic and social commitments with the cooperative, it will have a period of two (2) months to get up dated or will definitively lose the benefit. Also, if the member quits or is expelled.
7. When the scholarship holder is a member, for not having an exemplary behavior or has been sanctioned for committing an offence against the ethical rules of the Cooperative.

ARTICLE 20: The Scholarship Committee will convene every three months scholarship holders and their parents or guardians, in order to submit to the Cooperative their grades in original and one (1) copy.

ARTICLE 21: The student that holds a scholarship in elementary, junior and senior high school must maintain a minimum index of 4.0, for a university member 1.2 and 1.5 for the children of the members.

ARTICLE 22: The scholarship benefit for students in elementary, junior and senior high school will be suspended if the student fails in one or more subjects, despite that the bimestrial average is 4.0. In both cases, the same shall be returned when they have recovered in the next bimester (elementary, junior and senior high) and university semester; otherwise, the scholarship will be lose. This measure will be applied when the recovery is completed before the next school year begins.

ARTICLE 23: It will be the faculty of the Board of Directors, the ratification of the scholarship holders by the Scholarship Committee.

ARTICLE 24: Considering that some Members, at the time of the scholarship competition of COOPEDUC, R.L. have this benefit in other institution, the following measures will be taken:

1. It will be clearly established that the Member that wants a scholarship, must choose one of these.

2. If the installment for the scholarship is delivered and the member does not report that have this benefit in other institution, he must return the amount collected; otherwise it will be collected thru a loan in the correspondent amount.
3. Due to this fact, the member will not participate for a period of two (2) years in the scholarship competition of COOPEDUC, R.L.

ARTICLE 25: The scholarships shall be distributed equally to each Chapter, proportionally to the number of members residing in the same and to the budget established. That chapter wherein the number of participants is less than the respective budget, the difference will be distributed in the order of the students with the highest index or qualifications that were not selected, regardless of the chapter to which they belong.

ARTICLE 26: Modifications, interpretations and enforcement of this regulation is faculty of the Board of Directors of COOPEDUC, R.L.

ARTICLE 27: This regulation was modified on May 4, 2012, at Meeting 12-2012 and in May 15, 2014 at Meeting No.13-2014 at Meeting No.16-2014 of the Board of Directors.

(signed) Prof. Vielka T. Sanford U.
President of the Board of Directors

(signed) Prof. Manuel Sosa
Secretary of the Board of Directors