

## ASSOCIATE MEMBER REGULATIONS

**ARTICLE 1:** The Credit Union El Educador, R.L., has within its aims and objectives to stimulate, promote and develop the necessary activities, in order to strengthen and enhance the spirit of initiative, work, cooperation, friendship and family solidarity among the Associates, through the use of the services and benefits provided by the Credit Union.

**ARTICLE 2:** Participation as an Associate in the Credit Union is limited to people who fill the common bond, who are or have been servants of education.

**ARTICLE 3:** One is considered to be or have been a servant of education, when a person works or has worked in any educational institution, recognized by the Ministry of Education, by the University of Panama or by Special Laws, for a consecutive period not less than two (2) years, except for those appointed in probation periods (PPX1, PPX2), accruing a fixed and continuous salary and having a discount capacity according to the law.

Likewise, any natural or legal person, may be associated to COOPEDUC, R.L., as indicated in Article N° 6 of Law No. 17 of May 1st, 1977, as follows:

*"Article N° 6: Credit Unions are private associations constituted by natural and legal persons, which constitute companies, which without aiming for profit, have the objective of planning and carrying out work activities or services of socioeconomic benefit, aimed at the production, distribution and Credit Union consumption of goods and services, with the economic, intellectual and moral contribution of its members. For the purposes of this Law, such Credit Unions are hereinafter referred to as first-degree Credit Union organizations. "*

The Board of Directors will establish a regulation, which will be known as Special Associate or Special Member Regulations, based on the Statute in its Article N° 54, section K and Article N° 103, which state the following:

*"Article N° 54: The Board of Directors shall be empowered to do the following:  
k. Regulate everything concerning its operations and internal functioning.*

*Article 103: The rules and procedures that regulate the different activities of the Credit Union with its Associates will be established in the Internal Regulation. "*

**ARTICLE 4:** In order to become associated with COOPEDUC, R.L., the applicant must comply with the following profile:

1. Be legally qualified to hire.
2. Enjoy recognized honesty, industriousness, and sobriety and good reference in the fulfillment of the obligations contracted by him/her.
3. Know and be bound to comply with the requirements and conditions set forth in the Law, the Regulations and the Statute.
4. Appoint in writing the beneficiaries of their assets in the Credit Union, to whom they will be transferred, in case of death.
5. Pay the entry fee stipulated in the Statute.
6. Commit to make use of the Credit Union services.
7. Enjoy job stability

**ARTICLE 5:** The person interested in joining COOPEDUC, R.L. must submit their application for admission to the Credit Union, for the formal approval by the Board of Directors.

**ARTICLE 6:** In addition to the aforementioned, the applicant will present its entry application and as a minimum the following documentation:

1. Work Letter.
2. Copy of the personal identity card.
3. Copy of a second personal identity card.
4. Copy of the last checkbook or Social Security stub.
5. Receipt of water, electricity or telephone service.

**ARTICLE 7:** The following are duties and rights of Associates, without prejudice to the Law and the Statute:

**Duties:**

1. Punctually attend and participate in Chapter Meetings or Assembly by Delegates where the highest decisions are made.
2. Pay at least one (1) contribution per month.
3. Fulfill their social obligations with economic, intellectual and moral contributions.
4. Perform the offices for which they were elected.
5. Comply with the norms established in the Law, the Regulation, the Statute, the Norms and agreements of the Credit Union.
6. Be supportive in its relations with the Credit Union and with the Associates.
7. Refrain from incurring in acts of overreaching or omissions that affect the economic stability or prestige of the Credit Union.
8. Promptly pay transactions with the Credit Union.
9. Contribute to the development of capital, through the systematic payment of contributions and channeling their savings in the Credit Union.

**Rights:**

1. To participate with voice and vote in Chapter Meetings or to be elected as Delegates, one will have the same right in the Assembly by Delegates, on the basis of equality.
2. Elect and be elected to hold positions in governing bodies.
3. Request reports on their personal account and to the Board of Directors or the Supervisory Board on the matters they have addressed and on the development of the Credit Union.
4. Formulate complaints for breach of the Law, the Statute or the Regulations before the Supervisory Board.
5. Retire voluntarily from the Credit Union.
6. Request reconsideration before the Board of Directors or appeal, before the Assembly by Delegates, against any decision that affects their rights.
7. Use the services offered by the Credit Union and carry out the operations of its corporate purpose.
8. Participate in training programs and scholarships.

**ARTICLE 8:** The Associates will be responsible for all the obligations contracted by the Credit Union; however, its liability is limited to the value of the subscribed contributions paid partially or totally.

**ARTICLE 9:** The Associates will pay their contributions according to the following table:

<b>SALARY</b>	<b>FEE TO PAY</b>
Until B/. 500.00	B/. 10.00
from B/. 501.00 to B/. 700.00	B/. 15.00
from B/. 701.00 to B/. 1,000.00	B/. 20.00
from B/. 1,001.00 onwards	B/. 25.00

**ARTICLE 10:** This capitalization will be applied to the Members of recent entry and re-entry, and will be determined previously, according to the salary recorded in their last checkbook or Social Security stub. The same may be varied according to the promotion campaigns to attract new Associates.

**ARTICLE 11:** The Associate quality is lost by:

1. Death of the Associate or dissolution of the legal entity.
2. Resignation
3. Expulsion.

**ARTICLE 12:** Any Associate may be expelled from the Credit Union for the following reasons:

1. For incurring in fraudulent bankruptcy.
2. For having been sentenced to prison or imprisonment for a criminal act.
3. For having neglected or refused payment of what is owed to the Credit Union.
4. For not fulfilling its obligations, as stipulated by this regulation and the Statute of the Credit Union
5. For trying to undermine or hinder the good operation of the Credit Union, by sabotaging the activities of the Assembly by Delegates or the various Boards or Committees.
6. For deceiving or trying to deceive the Credit Union in terms of the use of funds borrowed.
7. For judicially suing the Credit Union, without exhausting the procedures established in the Law and the Statute.
8. For refusing to pay the contributions subscribed.
9. For proven malfeasance of the funds of the Credit Union.
10. By misappropriation, theft or robbery of the assets of the Credit Union.
11. For making deposits of money from illicit acts.
12. For the expulsion of any organism of integration.

The Associates affected by this article will have up to five (5) business days, after notification of the expulsion decision, to announce in writing before the Board of Directors their Recourse of Reconsideration, with appeal in subsidy, and ten (10) days to present formal support; this will be include in the Agenda of the next Assembly. If the opportunity does not support it orally, the appeal will be void and the decision appealed will be confirmed.

To this end, the Secretary of said Board will be required to give a note of presentation to the copy of the aforementioned letter and return it to the interested parties. In case of appeal, the Associate's rights are suspended until the Assembly by Delegates decides.

**ARTICLE 13:** Any Associate may renounce the Credit Union, as long as it does not have financial commitments. The Associate, who has resigned or is expelled for the reasons contemplated here, will lose the right to the reserves and the value of the funds of the Credit Union. It will retain, however, its right to the amount of the contributions, savings and any other securities that it keeps deposited in the Credit Union and that have not been committed as a guarantee or seizure by legal process.

**ARTICLE 14:** The retired or expelled Associate will remain responsible for all the obligations contracted with the Credit Union, from the date of resignation or expulsion up to one (1) year after said date, one will be entitled to have their contributions reimbursed within a term no greater than one (1) year, as provided by the Board of Directors, provided that the Credit Union is in solvency and liquidity status. If not in this state, the withdrawal of contributions cannot occur until its normalization.

**ARTICLE 15:** No final liquidation, in favor of the Associate, will be practiced without having previously deducted the debts owed to the Credit Union.

Surpluses, interests and deposits that an Associate has in the Credit Union, may be applied by the latter, in that order and to the extent that they reach extinction of debts owed to their position, by voluntary or legal obligations in favor of the Credit Union.

**ARTICLE 16:** Members who resign may re-enter once, meeting the requirements established by the Credit Union. The Board of Directors will regulate what is pertinent.

**ARTICLE 17:** Associates who violate the Law, its regulations, the Statute, the Internal Regulations or any other provision of the Assembly by Delegates will be sanctioned by the Board of Directors, according to the seriousness of the fault, as follows:

1. Verbal or written warning.
2. Fines up to Five Balboas (B/.5.00) in case of recidivism.
3. Suspension of the services and benefits of the Credit Union, for up to three (3) months.
4. Expulsion.

**ARTICLE 18:** Enabled associates are those who do not have their rights suspended and who are up to date with their socio-economic obligations with the Credit Union.

**ARTICLE 19:** The modifications, interpretation and fulfillment of this regulation are the faculty of the Board of Directors of COOPEDUC, R.L.

**ARTICULO 20:** This regulation was modified and approved by agreement of the Board of Directors on May 18th, 2017, at Meeting No. 11-2017.

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*Prof. Cecilia E. Quintana*  
Chairperson

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*Prof. Argelis Carrillo*  
Secretary