

SPECIAL ASSOCIATE OR SPECIAL MEMBER REGULATION

That by agreement of Extraordinary Assembly No. 25-2010 it was approved to modify Article No. 3 of the Associate Member Regulation, authorizing the creation of the Preferred Associates Regulation;

That pursuant to the foregoing, the Preferred Associates Regulation was created in September, 2010;

That for its more efficient application, it was necessary to adjust the existing regulation to the legal positions resulting from the Cooperativism Authorities, as well as the association of such movement;

It is required to have a single document with all the provisions applicable to those natural and legal persons who wish to make savings and credit operations with COOPEDUC, R.L.

That the Preferred Associates Regulation was already sent to the IPACOOOP, Authority which stated which that this regulation is an Autonomous Authority of the Board of Directors of COOPEDUC, R.L. (See note DE-N-No. 1,368-2011 of November 1st, 2001, proffered by the Executive Director Office of IPACOOOP).

Settles: Deliver Special Associated Members Regulation and Special Operations Fund in the following way:

SECTION I GENERAL PROVISIONS

ARTICLE 1: Cooperativa de Ahorro y Credito El Educador, R.L. has within its purposes and objectives to encourage, promote and develop the necessary activities in order to strengthen and enhance the spirit of initiative, work, cooperation, friendship and family solidarity with legal or natural persons wishing to execute transactions with the Cooperative, through the use of services and benefits which may provide the same.

ARTICLE 2: That provided in the previous article is based on Law No. 17 of May 1st, 1997 in its articles No. 2, No. 6, N°12 and N°13, which states the following:

Article 2: Cooperatives constitute associations of public interest, social interest and private law; and in exercise of the cooperativism is considered an effective system to contribute with the economic development, strengthening of democracy, equitable distribution of wealth and income, rationalization of economic activities and facilitate rates, fees, costs and prices in benefit of the community in general. The State shall promote cooperatives through the appropriate technical and financial assistance, and will supervise them.
To ensure the free exposition and development of cooperatives, the State will guarantee them legal autonomy and democratic operation.

ARTICLE 6: Cooperatives are private associations composed by natural and legal persons, which are companies which without pursuing profit, have for objective to plan and perform work activities or services of social-economic benefits aimed to the production, distribution and consumption of goods and cooperative services, with the financial, intellectual and moral contribution of their associates. For the purposes of this Law, such cooperatives are called, from now on, cooperative organizations of first grade.

ARTICLE 12: Cooperatives can make all kinds of lawful activities and associate with other legal persons, as long as it is convenient for its social purpose and which do not detract its purpose of service, or transfer tax benefits themselves. They may also associate with state organizations, in activities related with the rendering of public services.

ARTICLE 13: Cooperatives might render services to third parties, but such services may not be performed in more favorable conditions than the one rendered to the associated or to detriment of the services to these.

ARTICLE 3: To the internal of COOPEDUC, the Statute sets forth in its articles No. 2 and No. 3 the following:

ARTICLE 2: The participation as Associate in the cooperative is limited to those persons who have a common bond; who are or have been contributors of education.

ARTICLE 3: The third parties such as family of associates, permanent workers of the Cooperative, natural and legal persons, State organizations and other cooperatives may receive savings services, loans and others, but such services may not be executed in more favorable conditions than the one rendered to Associates or to detriment of the services to these. The Board of Directors shall regulate these services.

ARTICLE 4: Based on the above-mentioned provisions, the condition of "Special Associate or Special Member" is created which will be classified into:
- Special Associate A or Special Member A
- Special Associate B or Special Member B

Hereinafter, the persons who enrolls to COOPEDUC only may be Associate, Special Associate A or Special Member A; or Special Associate B or Special Member B.

SECTION II FROM THE OPERATIONS FUND (FOTER)

ARTICLE 5: A Special Operations Fund is created, from now on FOTER, for the deposit, administration, transfer and withdrawal of fees which pay the associates to the Special Associates A or Special Members A and Special Associates B or Special Members B who together will be called the Special Associates or Special Members.

ARTICLE 6: The amounts of money which constitute the monthly payments of the Special Associates A or Special Members A and Special Associates B or Special Members B will be credited through deposit, direct discount or voluntary payment made in the cash registers of COOPEDUC. The percentage corresponding to the surpluses will be credited at the end of the social-economical exercise in those cases which the Special Associates A or Special Members A and Special Associates B or Special Members B do not withdraw it within the term set out each year.

ARTICLE 7: The cooperative, with the frequency it deems appropriate, will determine the amounts which the Special Associates A or Special Members A and Special Associates B or Special Members B shall pay monthly, as it is set forth in the current policy.

ARTICLE 8: This capitalization shall apply to the Special Associates A or Special Members A and Special Associates B or Special Members B with recent enrollment and re-enrollment, and it will be determined beforehand, according to the salary listed in its last check book or record of Caja de Seguro Social/Social Security Fund. The same may be varied according to the promotional campaigns to attract new Special Associates A or Special Members A and Special Associates B or Special Members B. All Special Associates A or Special Members A and Special Associates B or Special Members B will do their payments by direct discount; if the payment is made in person, the Associate must make his/her monthly payments through the cash registers of COOPEDUC.

ARTICLE 9: The FOTER will serve as a guarantee and leveraging of loans requested by the Special Associates A or Special Members A and Special Associates B or Special Members B.

ARTICLE 10: The Special Associates A or Special Members A and Special Associates B or Special Members B only may withdraw the contributions corresponding to the FOTER once the Board of Directors solves the approval of his/her resignation or expulsion of the same, be the case.

ARTICLE 11: It is clearly established that the Board of Directors only will approve the resignation of those Special Associates A or Special Members A and Special Associates B or Special Members B that are up-to-date with all the credit commitments they may have with COOPEDUC, R.L.

ARTICLE 12: Once the resignation or dismissal of the Special Associate A or Special Member A and Special Associate B or Special Member B is approved, the corresponding amounts of money by the FOTER will be given to him/her in a minimum term of one (1) calendar year, as set forth in Article No. 33 of Law No. 17 of May 1st, 1997 and Articles N°22, No. 23 and No. 24 of the cooperative's statute.

ARTICLE 13: The Special Associates A or Special Members A and Special Associates B or Special Members B may do extraordinary contributions to the FOTER, but this may not be withdrawn in different situation to that referred to in the previous article.

ARTICLE 14: The situations that may arise regarding the FOTER which have not been considered in this regulation shall be of exclusive jurisdiction of the Board of Directors of COOPEDUC, R.L.

ARTICLE 15: The provisions of the Withdrawal Regulation and Contribution Transfer of the Associates will be applied to the FOTER; whenever they do not contravene the provisions of this regulation.

SECTION III
THE SPECIAL ASSOCIATE A OR SPECIAL MEMBER A

ARTICLE 16: The Special Associate A or Special Member A who wants to make savings and credit operations with the Cooperative, must request his/her inclusion in the record in compliance with the following requirements:

1. Be legally trained to recruit.
2. Have recognized honesty, diligence, sobriety and good reference in the fulfilment of his/her contracted obligations.
3. Know and be required to comply with the requirements and conditions set forth in the Law and special regulations that are applicable to him/her.
4. Assign in writing to the beneficiaries of his/her assets in the Cooperative, whom they will be transferred, in the event of a death.
5. Pay the special registration fee and fees of FOTER.
6. Commit to make use of the Cooperative's services.
7. Enjoy stability in employment.

ARTICLE 17: In addition to the requirements set forth in Article No. 16 of this regulation, the aspirant to be Special Associate A or Special Member A must complete a membership application and comply with the Cooperative's requirements, set forth in the current enrollment policy.

ARTICLE 18: The inclusion of person concerned in the record of Special Associate A or Special Member A, shall be performed by the following steps:

1. A registration fee.
2. Approval of the Board of Directors.
3. Registration of Special Associate A or Special Member A by the person concerned.
4. Payment of FOTER's fee.
5. Payment of fee of the Solidarity Fund and Father and Mother's decease fund, through direct discount or monthly payment in the Cooperative's cash register.

ARTICLE 19: The following are the rights of the Special Associate A or Special Member A:

1. Make deposits and withdrawals from savings accounts, whenever is duly authorized by the Cooperative's Law and Regulations.
2. Use the credit services, according to the policy of loans and other requirements.
3. Receive general information of the Cooperative through television media, radio, in writing, among others.
4. Submit his/her recommendations to improve the Cooperative's operation.
5. Participate in educational, recreational, sporting and social activities of the Cooperative, duly authorized by the Board of Directors and which do not contravene with provisions of the law, statute or regulations.
6. Show his/her resignation from the organization when he/she deems it.

ARTICLE 20: The following are duties of the Special Associate A or Special Member A:

1. Save in the Cooperative.
2. Pay the FOTER's fee.
3. Repay on time the capital and interest of the obtained loans.
4. Comply with the regulations which apply to it.
5. Always act with social sense.

ARTICLE 21: By provision of the Cooperative's Law and Statute, the Special Associate A or Special Member A might not attend the Ordinary Meetings and Assemblies of Delegates, or might not hold positions within the Cooperative's governing teams.

SECTION IV
FROM THE SPECIAL ASSOCIATE B OR SPECIAL MEMBER B

ARTICLE 22: Natural persons of legal age and legal persons who are lawfully constituted under the laws of the Republic of Panama or whose commercial activity takes effect in the national territory, as well as cooperatives, associations and businesses might be Special Associates B or Special Members B. The Cooperative shall refrain from receiving funds or deposits from:

1. Political parties
2. Trade Unions of controversial career in the national life.

3. Organizations which promote sensitive topics.
4. Associations or organizations whose acting or objectives are against morality, propriety and public order.

ARTICLE 23: Non-profit associations such as the following may also become Special Associate B or Special Member B:

1. Associations of parents and students duly recognized.
2. Clubs, foundations and non-government organizations.
3. Other non-profit institutions.

ARTICLE 24: The applicants who want to be Special Associates B or Special Members B must complete the application of enrollment and comply with the requirements requested by the Board of Directors, set forth within the actual incomes policy.

ARTICLE 25: The Special Associates B or Special Members B shall only be entitled to deposit, withdraw savings and apply for secured loans. They might not attend the Ordinary Meetings and Assemblies of Delegates, or any other event but with a specific authorization of the Board of Directors.

ARTICLE 26: The Board of Directors reserves the right to admit or not the applicants for Special Associates B or Special Members B.

SECTION V FINAL PROVISIONS

ARTICLE 27: Regarding the change in status or condition of Special Associate A or Special Member A and Special Associate B or Special Member B, the former workers of COOPEDUC, R.L. who have resign, performed mutual agreement, have been fired by the organization or falls under any other provision in which the work relationship with the Cooperative has been finished will not be approved to join as a Member.

ARTICLE 28: The natural person who has Special Associate A or Special Member A and Special Associate B or Special Member B and complies with the requirements set forth in the Statute may become an Associate, as the case may be and whenever he/she considers it suitable.

ARTICLE 29: The Special Associate A or Special Member A and Special Associate B or Special Member B shall be entitled to credits guaranteed and his/her deposits will be maintained pledged until the credit's cancellation.

ARTICLE 30: A percentage of interest earned by the saving deposits will be assigned to the Special Associate A or Special Member A and Special Associate B or Special Member B, according to the policy set by the Cooperative; the amount derived shall be registered in the FOTER's fee of the Special Associate B or Special Member B.

ARTICLE 31: The modifications, interpretation and fulfillment of this regulation are capabilities of the Board of Directors of COOPEDUC, R.L.

ARTICLE 32: This regulation was approved on May 15th, 2013, at the 14-2013 Meeting of the Board of Directors.

Prof. Cecilia Quintana
President

Prof. Vielka Sanford
Secretary

This document is an accurate translation of the original document written in Spanish language. Panama, November 8th, 2014.

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Member of the Panamanian Society of Interpreters and Translators