

EMPLOYEES RETIREMENT PLAN

Section 1. Objective

The purpose of this Plan is to provide, through a retirement fund to be established by DABIREMCO for the payment of retirement, disability, death or separation to the employees or their beneficiaries as the case may be, subject to the conditions and limitations hereinafter set forth.

Section 2. Effective Date

This plan, as well as the Rules and Regulations governing the same, shall become effective upon the regular employment of an employee.

Section 3. Coverage

All regular and full time employees of DABIREMCO are covered by this plan.

Employee means any person employed by DABIREMCO on a regular full-time basis and carried as such in the payroll of the DABIREMCO. It shall exclude part-time, casual, temporary and contractual employees. The photocopying machine operators who are considered as regular employees and are paid on a piece rate basis shall be entitled to the benefits of the plan but for purposes of computing the salaries, the basis shall be the prevailing minimum wage as provided by law.

Section 4. Retirement Age

The normal retirement age of the employee is sixty (60) years old, provided the employee has rendered at least ten (10) years of continuous service to the cooperative. Employment shall not continue beyond the normal retirement date unless extended by mutual agreement.

Any employee, may with the consent of the cooperative, remain in active service after his normal retirement date and continue to earn retirement credits, but not beyond his attainment of age sixty five (65). Such deferred retirement, however, shall be on a case to case basis.

Continuous service shall mean the number of years and completed months reckoned from the date the employee's status was regularized as determined by the company's personnel records to represent the employee's most recent unbroken period of service. Leaves of absences approved by the cooperative with or without pay shall not constitute an interruption of service.

Section 5. Retirement Benefit

Upon retirement, whether for normal or late retirement, an employee shall be entitled to receive an amount equivalent to one-half (1/2) month salary for every year of service based on the employee's average monthly salary for the past 5 years from filing of retirement.

Section 6. Resignation from Service

Any employee who voluntarily resigns from DABIREMCO shall not be entitled to any benefits under this Plan.

Section 7. Involuntary Separation from Service

Any employee who may be involuntarily separated from service by DABIREMCO shall receive separation pay as provided for by the Labor Code. However, no benefit shall be payable under this Plan if the employee is separated due to his own fault, misconduct, or if in the opinion of DABIREMCO, the employee has committed acts that are inimical or prejudicial to the interest of the cooperative.

Section 8. Nomination of Beneficiaries

An employee shall, upon joining the Plan, forthwith nominate in writing, in such forms as shall be prescribed by DABIREMCO, a person or persons to receive the amount which may be due him in case of his death from among those specified below:

- a. Legitimate spouse and children;
- b. Parents;
- c. Brothers and Sisters; and
- d. In the absence of the foregoing, any person or entity or his estate.

The nomination must be made and executed in accordance with existing laws. Every nomination or appointment shall remain in force until the death of the nominees or until revoked or amended by the employees making it by delivering to the DABIREMCO office another nomination or appointment in the prescribed form. In the event of death of his designated beneficiary, the employee shall nominate or appoint another person in his stead.

If at the death of an employee there shall exist no valid nomination by him of a beneficiary, he shall be conclusively presumed to have appointed as his beneficiary or beneficiaries the person or persons in the following order:

- a. Legitimate spouse and children
- b. Parents
- c. Brothers and Sisters, and
- d. His estate

Section 9. Payment to Beneficiary or Beneficiaries

On the death of an employee, the amount standing to his credit at the time of his death shall be made payable to the beneficiary or beneficiaries named by the deceased employee in the existing nomination on file with DABIREMCO office or his presumed beneficiary or beneficiaries as provided above. If the employee is declared judicially incompetent, payment to his legal guardian shall be deemed as if made to the employee in person and shall discharge the Fund and DABIREMCO from liability to the extent of the amount paid.

In case the beneficiary is a minor or is under any disability to give a legal discharge for payment of the benefits, the benefits shall be paid to the duly appointed judicial guardian for and in behalf of the minor or person under disability, except that where the beneficiary is a minor and the benefits due him are P20,000.00 or less, payment may be made to his father or in his absence the mother. However, in no case will the beneficiary be entitled to any interest on the amount of the benefit during the period that payment was deferred because of the absence of a judicial guardian.

Section 10. The Retirement Fund

The funding of the Plan and payment of the benefits hereunder shall be provided for through the medium of a Fund held by a trustee under an appropriate trust agreement. The contribution to the fund, together with any assets, liabilities, income, gains or losses, less expenses and distributions, shall constitute the Retirement Fund.

Section 11. Contributions

- a. An employee shall not be required to make any contribution to the Fund;
- b. DABIREMCO shall contribute to the Fund whatever amounts may be required, as estimated by an independent actuary on the basis accepted actuarial principles, to maintain the Plan in a sound condition. DABIREMCO reserves the right, whenever economic conditions may warrant, to discontinue or suspend the contribution to the Fund.
- c. DABIREMCO shall not be liable to any person for failure on its part to make contributions as provided in this Section, nor shall any action lie to compel the cooperative to make such contributions.

Section 12. Irrevocability

All contributions made by the cooperative to the Fund shall be held solely and exclusively for the benefit of the employees or their beneficiaries, and no part of said Fund shall be used for, or diverted to, purposes other than for the exclusive benefit of the employee or their beneficiaries.

Section 13. Forfeitures

Any amount accrued under the Plan which is not paid by virtue of the limitations specified by these rules and regulations shall be retained in the Fund and shall be used to reduce subsequent contributions of the cooperative.

Section 14. Unclaimed Benefits

Any amounts payable to a former employee or his beneficiary or beneficiaries which, for any reason, is not claimed by such employees or beneficiary within a period of five (5) years from the date such amount becomes payable, shall be retained in the Fund and shall after such period, be used to reduce subsequent contributions of the Cooperative.

Section 15. Lien of DABIREMCO

The cooperative shall have the first lien upon the amount standing to the credit of its employee to cover all liabilities of the employee to DABIREMCO and all losses, cost and expenses which the cooperative may incur through the dishonesty, defalcation, theft, or any other act.

Section 16. No Other Benefit

No other benefit other than those provided under this Plan shall be payable from the Fund.

Section 17. Modification, Suspension or Discontinuance of the Plan

Although it is expected that the Plan will continue indefinitely, it may be amended, suspended, or terminated at any time by the cooperative as economic conditions may warrant or on account of business necessity. In no case, however, shall such amendment, suspension, termination be effected in order to permit any asset of the Fund to be used for, or diverted to, purposes other than for the exclusive benefit of the employees or their beneficiaries, nor shall be applied retroactively so as to adversely affect or reduce in any way the benefit accrued to any employee on account of service prior to the date of such amendment, suspension or termination. In no event shall any part of the assets of the Fund revert to the cooperative before all liabilities of the Plan have been satisfied.

Section 18. Termination of Plan

In the event of termination of the Plan, the liability to the cooperative to make contributions shall cease, and the assets of the Fund shall be allocated, subject to provision for expenses of administration or liquidation, for the following benefit purposes and in the following manner and order to the extent of the sufficiency of such assets:

- a. A sum, sufficient to provide for the payment in full, or pro-rata if the Fund is insufficient for full payment to employees and beneficiaries who are eligible for normal or late retirement, death, and disability benefits, but who have not received their benefit payments by the date of termination of the Plan;
- b. If any amount remains after (a) above, sum sufficient to provide for the payment in full, or pro-rata if the Fund is insufficient for full payment, to

- employees who are eligible for early retirement benefits as of the date of termination of the Plan;
- c. If any amount remains after (a) and (b) above, a sum sufficient to provide for the payment in full, or pro-rata if the Fund is insufficient for full payment, to employees who remain and who may have such benefit interest as the cooperative may determine on the termination of the Plan; and
 - d. Any amount remaining in the Fund after making the above allocations and after paying all liabilities shall revert to DABIREMCO.

Section 19. Miscellaneous Provisions

The Plan will be administered by the Board of Directors of DABIREMCO. The cooperative shall maintain adequate records to ensure proper and smooth administration of the Fund.

Section 20. Non-Transferability of Rights

No benefit payable under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any action by way of anticipating, alienating, selling, transferring, assigning, pledging, encumbering or charging the same shall be null and void.

Section 21. Tenure of Employment

The establishment of this Plan shall not be construed as conferring any rights upon any employees covered by this Plan to be retained in the service of the cooperative, or to interfere with the right of the cooperative to discharge such employee at any time, or shall give the company the right to require the employee to remain in its service, or shall it interfere with the employee's right to terminate his service at any time.

Section 22. Interest in the Retirement Fund

- a. No employee shall have the right title, or interest in or to any part of the assets of the retirement Fund except as and to the extent expressly provided in the Plan.
- b. Any person having a right or claim under the Plan shall look solely to the assets of the retirement Fund. In no event shall the cooperative be liable for any claim arising by reason of the provisions of the Plan or any instrument implementing the Plan.

Section 23. Management Powers

Nothing contained in these Rules and Regulations shall be deemed as a limitation on the management powers and prerogative of the cooperative.

Section 24. Effect of Social Legislation

- a. Whatever benefits that may be due to the employee on account of the Social Security Act and the Employee's Compensation as provided for in the Labor Code existing as of the effective date of the Plan shall not be deducted from the benefits granted under this Plan. However, in the event the contribution under the Social Security Act, the cooperative shall have the option to integrate the benefits under this Plan with those of the Social Security Act.
- b. Other Laws, Contracts, Government Awards, Rules and Regulations. In the even existing or future laws or enactment of any legislation or contract such as Collective Bargaining Agreement, require the cooperative to give to its employees benefits such as retirement pay, separation pay, or emoluments similar or analogous to those herein already provided, the employees concerned shall not be entitled to both what the law, legislation or contract requires the cooperative to give and to benefits herein provided, but shall be entitled only to whichever benefit is the highest among them.