

**BATANGAS UNITED AND PROGRESSIVE CREDIT
COOPERATIVE**

BUPCC

MEMBER CODE OF CONDUCT

Effective from the First Point of Contact — Including Recruitment

Batangas City, Philippines · 22 June 2026

Anchored on Republic Act No. 9520, the Philippine Cooperative Code of 2008

PREAMBLE

The Batangas United and Progressive Credit Cooperative (BUPCC) was established on the conviction that a cooperative's greatest strength lies not in its capital, but in the integrity of its people. From the first moment a prospective member learns of BUPCC — through recruitment, referral, or inquiry — the standards of this Code are already in effect.

This Member Code of Conduct is the living expression of BUPCC's first Core Value: **Integridad**. It defines the rights, responsibilities, and standards of conduct expected of every member, officer, recruiter, and representative of BUPCC — not as a list of rules to be tolerated, but as a covenant to be embraced.

The Code is grounded in **Republic Act No. 9520, the Philippine Cooperative Code of 2008**, which establishes the legal framework for cooperative governance in the Philippines. Where this Code references specific provisions of RA 9520, those references are cited for transparency and legal grounding.

"A cooperative is an autonomous and duly registered association of persons, with a common bond of interest, who have voluntarily joined together to achieve their social, economic, and cultural needs and aspirations by making equitable contributions to the capital required, patronizing their products and services and accepting a fair share of the risks and benefits of the undertaking in accordance with universally accepted cooperative principles."

— Article 3, RA 9520

ARTICLE 1. SCOPE AND APPLICATION

This Code applies to all of the following, from the date of their first engagement with BUPCC:

- Prospective members during the recruitment and orientation stage
- Applicant members who have submitted their membership application
- Associate members and regular members in good standing
- Elected and appointed officers, directors, and committee members of BUPCC
- Staff and personnel acting on behalf of BUPCC in any capacity

Why it begins at recruitment: BUPCC believes that integrity cannot be switched on after membership is formalized. The manner in which we invite someone to join us reflects the manner in which we will serve them. Misrepresentation at the recruitment stage is a violation of this Code, regardless of whether the person eventually becomes a member.

Legal Basis: Article 4(1), RA 9520 — Voluntary and Open Membership: Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, cultural, political or religious discrimination.

ARTICLE 2. GOVERNING COOPERATIVE PRINCIPLES

All members and officers of BUPCC shall conduct themselves in accordance with the universally accepted cooperative principles as codified under Article 4 of RA 9520:

PRINCIPLE	BUPCC APPLICATION
1. Voluntary and Open Membership	Membership in BUPCC is voluntary. No person shall be coerced, pressured, or misled into joining. No person shall be discriminated against on account of gender, race, religion, culture, or political affiliation.
2. Democratic Member Control	Every regular member has one vote. Officers are accountable to the membership. Members actively participate in setting policies and making decisions through the General Assembly.
3. Member Economic Participation	Members contribute equitably to the capital of the cooperative. Surpluses are distributed fairly, proportionate to patronage, after mandatory allocations to reserve, education, and community development funds.
4. Autonomy and Independence	BUPCC is self-governing. Agreements with external parties — government, donors, or investors — shall not compromise the democratic control of members or the cooperative's autonomy.
5. Education, Training and Information	BUPCC shall provide education and training to members, officers, and staff. Members have the right to be informed. The Pre-Membership Education Seminar (PMES) is required before membership.
6. Cooperation Among Cooperatives	BUPCC shall seek to cooperate with other cooperatives at local, provincial, regional, and national levels for the common good.
7. Concern for Community	BUPCC operates for the sustainable development of Batangas Province and its communities, not solely for the benefit of its members.

ARTICLE 3. RIGHTS AND ENTITLEMENTS OF MEMBERS

Every regular member of BUPCC is entitled to the following rights, as grounded in RA 9520:

3.1 Rights During Recruitment and Application

- ✓ The right to receive accurate, complete, and truthful information about BUPCC's products, services, financial condition, governance, and membership obligations before making any commitment.
- ✓ The right to be free from pressure, coercion, or misleading inducements during the recruitment process.
- ✓ The right to ask questions and receive honest answers from any BUPCC officer or recruiter.
- ✓ The right to decline membership without penalty, social pressure, or negative consequence.
- ✓ The right to complete the Pre-Membership Education Seminar (PMES) before being admitted as a member. (Art. 10, RA 9520)

3.2 Rights as a Member

- ✓ The right to one vote on all matters brought before the General Assembly, regardless of share capital contribution. (Art. 36, RA 9520)
- ✓ The right to examine BUPCC's records — including the register of members, financial statements, minutes of meetings, and bylaws — during reasonable business hours without charge, except for the cost of reproduction. (Art. 83, RA 9520)
- ✓ The right to receive patronage refunds and interest on share capital, proportionate to patronage and in accordance with RA 9520 and BUPCC's bylaws. (Art. 86, RA 9520)
- ✓ The right to be heard and to appeal any decision of the Board of Directors — including decisions on membership, loan applications, and disciplinary actions — to the General Assembly. (Art. 28 & 30, RA 9520)
- ✓ The right to withdraw from BUPCC by giving sixty (60) days written notice to the Board of Directors, with full refund of share capital contribution, subject to RA 9520 and BUPCC bylaws. (Art. 30, RA 9520)
- ✓ The right to nominate, vote for, and be elected to any position in the cooperative for which the member is qualified under the bylaws. (Art. 39, RA 9520)
- ✓ The right to receive regular reports on BUPCC's programs, activities, and financial performance. (Art. 53, RA 9520)
- ✓ The right to be treated with dignity, respect, and fairness in all dealings with BUPCC.

ARTICLE 4. RESPONSIBILITIES AND OBLIGATIONS OF MEMBERS

Membership in BUPCC is a voluntary commitment to both rights and responsibilities. Every member shall:

4.1 Financial Obligations

- › Pay all share capital subscriptions as agreed upon admission to membership.
- › Maintain regular savings deposits in accordance with the bylaws and BUPCC policies.
- › Repay all loans in accordance with the terms and schedule agreed upon at the time of disbursement.
- › Pay all fees, fines, and dues as prescribed by the bylaws.

Note: Under Article 29 of RA 9520, a member is liable for the debts of the cooperative only to the extent of his or her contribution to the share capital. BUPCC shall not hold members personally liable beyond this limit.

4.2 Governance and Participation

- › Attend the Annual General Assembly and other duly convened meetings of the cooperative.
- › Actively participate in setting cooperative policies and electing officers.
- › Accept positions and responsibilities in the cooperative when duly elected or appointed, unless exempted by the bylaws.
- › Uphold the democratic principle of one member, one vote — and not attempt to circumvent this through proxy arrangements not sanctioned by the bylaws.

4.3 Conduct and Integrity

- › Uphold the six Core Values of BUPCC: Integridad, Serbisyo at Kahusayan, Bayanihan, Pagpapakatao, Paglago at Pag-unlad, and Katatagan at Pananagutan.
- › Treat fellow members, officers, and BUPCC staff with respect, courtesy, and professionalism at all times.
- › Refrain from any act that is injurious or prejudicial to the interest or welfare of the cooperative or its members.
- › Report any knowledge of fraud, irregularity, or misconduct involving BUPCC resources, officers, or members through the proper grievance channels.
- › Maintain the confidentiality of sensitive cooperative and member information obtained through membership.

4.4 Patronage

- › Patronize the products and services of BUPCC in preference to competing institutions, as a means of strengthening the cooperative ecosystem.
- › Conduct business with fellow BUPCC members within the cooperative Value Creation Model wherever practicable.

ARTICLE 5. STANDARDS OF CONDUCT FOR OFFICERS AND RECRUITERS

Officers, directors, committee members, and any person representing BUPCC in a recruitment capacity shall adhere to the following standards, which are binding from the first point of contact with any prospective member:

5.1 Honesty in Representation

- ✓ Present BUPCC's products, services, financial condition, loan rates, and membership obligations accurately and completely.
- ✓ Disclose that BUPCC is currently pending CDA registration approval, and explain the implications for prospective members.
- ✓ Present the Pre-Membership Education Seminar (PMES) as a legal requirement, not a formality.
- ✓ Answer all questions from prospective members truthfully, including questions about risks, limitations, and realistic expectations.

5.2 Prohibited Conduct During Recruitment

- ✗ Misrepresenting BUPCC's financial performance, dividend history, or projected returns.
- ✗ Overpromising loan approvals, interest rates, or patronage refunds that are not guaranteed by BUPCC's bylaws or board policy.
- ✗ Using social pressure, family relationships, or hierarchical authority to coerce any person into joining.
- ✗ Accepting any payment, gift, or benefit from a prospective member in exchange for preferential treatment in membership or loan applications.
- ✗ Making verbal commitments on behalf of BUPCC that are not sanctioned by the Board of Directors.
- ✗ Recruiting persons who are clearly ineligible for membership under RA 9520 or BUPCC's bylaws.

Legal Basis: Article 45, RA 9520 — Directors, officers and committee members who are willfully and knowingly vote for or assent to patently unlawful acts or who are guilty of gross negligence or bad faith in directing the affairs of the cooperative shall be liable jointly and severally for all damages or profits resulting therefrom to the cooperative, members, and other persons.

5.3 Conflict of Interest

In accordance with Article 47 of RA 9520, any contract or transaction between BUPCC and an officer, director, or committee member may be voidable unless:

- › The officer's presence was not necessary to constitute a quorum at the meeting where the contract was approved;
- › The officer's vote was not necessary for the approval of the contract;
- › The contract is fair and reasonable under the circumstances; and
- › In the case of an officer or committee member, prior authorization was obtained from the General Assembly or Board.

No person engaged in a business similar to that of BUPCC, or who has any conflict of interest with it, shall serve as a director. (Art. 39(4), RA 9520)

No two persons with relationships up to the third civil degree of consanguinity or affinity shall serve together as appointive officers. (Art. 42, RA 9520)

ARTICLE 6. PROHIBITED CONDUCT — ALL MEMBERS

The following acts constitute violations of this Code and, where applicable, of RA 9520:

6.1 Acts Against the Cooperative

- ✗ Providing false or misleading information in any membership application, loan application, or cooperative document.
- ✗ Submitting a falsified, fraudulent, or fictitious Government-Issued ID or Barangay Clearance, or otherwise misrepresenting one's identity or residency, whether during the application process or at any time during membership.
- ✗ Misusing or misappropriating cooperative funds, assets, or resources for personal benefit.
- ✗ Acquiring, for personal benefit, any business opportunity that properly belongs to the cooperative. (Art. 48, RA 9520)
- ✗ Using confidential cooperative information — including member data, financial records, or internal deliberations — for personal benefit or to the detriment of the cooperative. (Art. 49, RA 9520)
- ✗ Willfully failing to comply with membership obligations after due notice.
- ✗ Acting in a manner that is injurious or prejudicial to the interest or welfare of the cooperative. (Art. 30(3)(d), RA 9520)

6.2 Acts Against Fellow Members

- ✗ Harassment, intimidation, or any form of discrimination against any member or applicant on the basis of gender, race, religion, culture, or political affiliation.
- ✗ Soliciting or accepting any form of bribe or improper payment in the exercise of any cooperative function.
- ✗ Spreading false information about any member, officer, or the cooperative itself.
- ✗ Using membership in BUPCC to facilitate illegal or unethical business transactions with fellow members.

ARTICLE 7. GROUNDS FOR MEMBERSHIP TERMINATION

In accordance with Article 30(3) of RA 9520, membership in BUPCC may be terminated by a majority vote of the Board of Directors for any of the following causes:

- › When a member has not patronized any of the services of BUPCC for an unreasonable period of time as previously determined by the Board;
- › When a member has continuously failed to comply with financial obligations — including share capital payments, loan repayments, or savings commitments;
- › When a member has acted in violation of the bylaws or the rules of BUPCC;
- › For any act or omission injurious or prejudicial to the interest or welfare of the cooperative; and
- › When a member is found, at any time — including after admission — to have submitted a falsified, fraudulent, or fictitious Government-Issued ID or Barangay Clearance, or to have otherwise misrepresented their identity or residency in connection with their application. This ground applies independently of the identity-verification review already required before Board Review, since a fabricated document may not come to light until after admission — including because BUPCC Personnel's confirmation of receipt attests that a document was submitted, not that its authenticity was independently verified against the issuing office.

Due Process: A member whose membership the Board intends to terminate shall be informed in writing and given an opportunity to be heard before the Board makes its decision. The Board's decision shall be in writing and may be appealed to the General Assembly within thirty (30) days from receipt. The General Assembly's decision is final. (Art. 30(3), RA 9520)

ARTICLE 8. GRIEVANCE, REPORTING, AND REMEDIES

BUPCC shall establish and maintain an accessible, impartial, and confidential grievance process in accordance with Article 43 of RA 9520 and BUPCC's bylaws.

8.1 Reporting a Concern

- › Any member, applicant, or prospective member who believes this Code has been violated may report the concern in writing to the Ethics Committee of BUPCC.
- › Reports may be submitted directly to the Chairperson if the Ethics Committee is not yet constituted.
- › All reports shall be treated with confidentiality. No person shall be retaliated against for making a good-faith report.

8.2 Appeals

- Any member aggrieved by a decision of the Board of Directors — including membership refusal, loan denial, or disciplinary action — may appeal to the General Assembly. (Art. 28, RA 9520)
- The General Assembly may create an Appeals and Grievance Committee to decide appeals within thirty (30) days of receipt. Failure to decide within this period shall be deemed approval in favor of the appellant. (Art. 28, RA 9520)

8.3 Conciliation and Mediation

Disputes among members, directors, officers, or committee members shall first be submitted to conciliation or mediation in accordance with the mechanism provided in BUPCC's bylaws, as required under Article 15(n) of RA 9520, before resort to any other forum.

ARTICLE 9. CONSEQUENCES OF VIOLATION

Violations of this Code shall be subject to the following consequences, depending on the nature and gravity of the offense:

CONSEQUENCE	APPLICABLE TO
Written Warning	Minor first offenses, including failure to attend meetings, minor procedural lapses, or inadvertent breaches.
Suspension of Privileges	Repeated minor offenses or a single serious breach — including temporary suspension of voting rights, loan eligibility, or access to cooperative services.
Mandatory Training or Remediation	Offenses involving misrepresentation, poor cooperative practices, or failure to meet financial obligations.
Membership Termination	Grave offenses including fraud, misappropriation of funds, serious misrepresentation, submission of a falsified Government-Issued ID or Barangay Clearance, or repeated willful non-compliance. (Art. 30(3), RA 9520)
Civil or Criminal Liability	Offenses that constitute criminal acts under Philippine law, including fraud, estafa, or theft of cooperative resources. BUPCC shall cooperate fully with appropriate authorities.

ARTICLE 10. MEMBER'S AFFIRMATION AND PLEDGE

Upon admission to membership in BUPCC, each member shall sign the following affirmation. This pledge shall also be recited at the commencement of each Annual General Assembly:

I, the undersigned, affirm that I have read and understood the BUPCC Member Code of Conduct. I understand that this Code is effective from the moment I engage with BUPCC — including during recruitment and orientation.

I commit to uphold the values of Integridad, Serbisyo, Bayanihan, Pagpapakatao, Paglago, and Katatagan in all my dealings with the Cooperative, my fellow members, and the community.

I accept the responsibilities of membership freely and voluntarily. I understand that BUPCC does not guarantee specific financial returns, and that all benefits are subject to the Cooperative's performance, bylaws, and the provisions of Republic Act No. 9520.

I commit to be an active, honest, and contributing member of this Cooperative — for my own growth and for the collective good of all.

Member's Signature over Printed Name	Date
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A NOTE FROM THE CHAIRPERSON

This Code is not a document of suspicion — it is a document of trust. It says to every person who reads it: *"We will not mislead you. We will not overpromise. We will not treat you differently before you join than after you join."*

BUPCC was built on the belief that the cooperative movement is one of the most powerful tools available to ordinary people who choose to act together. That power begins with honesty — and honesty begins before the first signature is ever made.

Be grateful. Be kind. Be strong.

Ramil Cueto

Chairperson, Batangas United and Progressive Credit Cooperative (BUPCC)
Batangas City · June 2026

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