

KOLIN PHILIPPINES INTL. INC

POLICY ON	PRODUCT LOAN	SECTION	014
CATEGORY	ALL EMPLOYEES	PAGE	1 of 2

PREPARED BY	THADDEUS GEORGE ROMAN	REVISION	Rev. 04
APPROVED BY	OLIVER M. FILOTE	EFFECTIVITY DATE:	MAY 1, 2025

I. POLICY

The company offers regular employees the opportunity to acquire company products through installment payments via salary deduction

II. ELIGIBILITY AND LOAN TERMS

- a. Only regular or permanent employees are eligible for the product loan. This benefit is a non-transferable privilege.
- b. Installment terms may range from three (3) to twelve (12) months. Applicable discounts and installment rates will be set by the Chief Executive Officer. Any updates to these rates must be formally communicated to Human Resource Department for proper dissemination.
- c. Each application must be co-signed by a regular employee of equal or higher rank, who will serve as co-obligor.
- d. Applications must be endorsed by Human Resource Department, verified by Payroll, and approved by the department head.
- e. Monthly payments should not exceed 30% of the employee's net take-home pay. If the installment exceeds this limit, a down payment is required to qualify for the loan.
- f. For non-company-owned product loans, a minimum of 1% monthly interest will apply.
- g. In the event of employee separation, any outstanding loan balance will be deducted from the employee's final pay. If the final pay is insufficient, the employee must settle the remaining balance before the release of their Certificate of Employment and Clearance. The company reserves the right to recover the remaining amount from the co-obligor's salary until the loan is fully repaid.

III. APPLICATION PROCESS AND GUIDELINES

- a. Employees must first obtain the product loan application form from the HR Department and complete it with the required details. HR will conduct a thorough review of the application, ensuring all information is accurate and eligibility criteria are met. Once reviewed, HR will endorse the form to the Payroll section for verification and to the department head for final approval. Once all approvals are secured, the loan will be disbursed according to the agreed terms.
- b. All product loan requests are subject to product availability. The prices shall be based on the prevailing rates set by the company at the time of application.

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- c. Product loan applications will be processed within 2 to 3 working days upon receipt of complete documents and endorsements. Applicants will be notified by Human Resource Department regarding the status of their application.
- d. Approved products shall only be released upon confirmation of payroll deduction setup and any required down payment. Product delivery may be coordinated with Warehouse department or collected directly from the designated location.
- e. Employees may avail of only one product loan at a time. Subsequent loans may only be applied for upon full payment of the previous loan, unless otherwise approved by the Chief Executive Officer.
- f. Human Resource Department and Payroll shall maintain a record of all active product loans and ensure accurate deduction from employee salaries. Employee may request a loan balance update anytime through Human Resource Department.
- g. Any misuse, misrepresentation, or abuse of the product loan privilege may result in disqualification from future availment, and may be subject to administrative action, depending on the severity of the violation.
- h. Employees may opt to settle their outstanding balance in full before the end of the installment period without incurring any penalty. A written request for early settlement must be submitted to Human Resource Department and Payroll.