

Policy on Fair and Responsible Treatment of Creditors

The fair and responsible treatment of creditors is one of the core pillars of Corporate Governance, aimed at building trust, enhancing credibility, and maintaining long-term positive relationships with all lenders and creditors. The key guidelines and essential components for establishing this policy are as follows:

1. Guarantees & Collateral Conditions

The management of collateral and guarantee conditions must be transparent and ensure fairness to all parties.

- **Transparent Disclosure:** Clearly explain the conditions, restrictions, and obligations related to guarantees or collateral, without concealing any material facts.
- **Fair Valuation of Collateral:** Utilize international standard benchmarks or independent appraisers for collateral valuation to assure creditors of its true market value.
- **Strict Compliance with Guarantee Agreements:** Avoid any actions that significantly impair the value of the collateral without prior notification to the creditors, and strictly adhere to all covenants specified in the agreements.

2. Capital & Liquidity Management

To demonstrate accountability and ensure that the company possesses adequate capability to service its debts.

- **Maintaining Appropriate Financial Ratios:** Monitor and manage the Debt-to-Equity (D/E) ratio and Interest Coverage Ratio to remain at safe levels and in compliance with the covenants agreed upon with creditors.

- **Efficient Capital Allocation:** Plan the allocation of capital obtained from creditors in strict accordance with the agreed purposes, ensuring that funds are not deployed into high-risk projects beyond what was previously disclosed.
- **Liquidity Management:** Maintain sufficient cash reserves and credit facilities to support the timely repayment of principal and interest.

3. Default Prevention & Mitigation

Implementing proactive measures to prevent default and establishing fair guidelines for resolution in the event of a financial crisis.

- **Early Warning System:** Closely monitor the financial position and cash flow to assess debt servicing risks well in advance.
- **Proactive & Timely Communication:** If liquidity constraints that could impact debt servicing are anticipated, the company must immediately notify creditors in advance, presenting the facts and proposed solutions with integrity and without evasion.
- **Fair Debt Restructuring Negotiations:** Cooperate with creditors to find mutual solutions, such as requesting debt maturity extensions or modifying terms, based on reasonableness and good faith, while ensuring fair treatment without unjustifiably favoring any specific creditor.

4. Additional General Practices for Responsibility

- **Equitable Treatment:** Treat all categories of creditors (e.g., trade creditors, financial institutions, debenture holders) equitably and fairly, in accordance with the types and priority rankings stipulated in the loan agreements.
- **Accurate Data Reporting:** Submit accurate, complete, and timely financial statements and reports to creditors as required by law or contractual obligations.