

**BANK NEGARA MALAYSIA
CORPORATE DEBT RESTRUCTURING COMMITTEE
PARTICIPANTS' CODE OF CONDUCT**

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1. INTRODUCTION

- 1.1 The Corporate Debt Restructuring Committee (“**CDRC**”) was formed by Bank Negara Malaysia (“**BNM**”) to provide a platform for both debtors and creditors to work out feasible debt restructuring schemes without having to resort to legal proceedings.
- 1.2 The Code of Conduct (“Code”) specifies the CDRC’s expectations of the conduct of both debtors and creditors that have applied and/or are referred to the CDRC and admitted to the CDRC for a debt restructuring workout (the “Participants”).
- 1.3 This Code is not intended to be legally binding on the Participants. Nonetheless, any breach or non-compliance of the Code by any Participant shall be regarded with serious concern by the CDRC.

2. SCOPE AND COMMENCEMENT

- 2.1 The Code shall be observed by the Participants.
- 2.2 The Code is issued and effective on 29 July 2009 and as revised on 27 June 2018, 18 August 2020 and 4 August 2025. It shall be applicable until the CDRC is dissolved.

3. DEFINITIONS AND INTERPRETATION

- 3.1 In this Code, except where the context otherwise requires, the following words shall have the following meanings-

“**Act**” means the Companies Act 2016 (Act 777) and includes any modification or re-enactment thereof in force;

“**eligible debtor**” means any entity who satisfies the eligibility criteria in paragraph 5 of this Code;

“**facility**” means, in respect of an eligible debtor, each loan, credit or financing facility, whether Islamic or conventional, granted by a participating institution to an eligible debtor, or any issuances of securities by an eligible debtor and includes all rights to receive repayment of monies lent or made available thereunder;

“**participating institutions**” or “**creditors**” means any –

- a) licensed banks as defined in the Financial Services Act 2013;
- b) licensed Islamic banks as defined in the Islamic Financial Services Act 2013;
- c) development financial institutions prescribed under the Development Financial Institutions Act 2002;
- d) any other institutions which come within the purview of regulation of BNM;
- e) bank licensees as defined in the Labuan Financial Services and Securities Act 2010, provided always that –

- (i) in the case of syndicated financing, more than fifty percent (50%) of the facility is jointly granted with at least two (2) other participating institutions or creditors that fall under sub-paragraph (a), (b) or (c) above; or
 - (ii) in the case of multiple or separate financing granted to an eligible debtor by various institutions, more than 50% of the total amount of the facilities is granted by at least two (2) other participating institutions or creditors that fall under sub-paragraph (a), (b), or (c) above.
- f) Islamic bank licensees as defined in the Labuan Islamic Financial Services and Securities Act 2010, provided always that –
 - (i) in the case of syndicated financing, more than fifty percent (50%) of the facility is jointly granted with at least two (2) other participating institutions or creditors that fall under sub-paragraph (a), (b) or (c) above; or
 - (ii) in the case of multiple or separate financing granted to an eligible debtor by various institutions, more than 50% of the total amount of the facilities is granted by at least two (2) other participating institutions or creditors that fall under sub-paragraph (a), (b), or (c) above.
- g) any other body corporate, co-operative societies, fund managers, unit trusts or other entity legally empowered under any written law and/or its valid and binding constitutive agreement to provide loans, financing or any other credit facilities save and except for any trade creditors of an eligible debtor, who are the creditors of an eligible debtor or holders of debt securities (both conventional and Islamic) issued by an eligible debtor and have not objected to participate in the debt restructuring framework of the CDRC.

“**workout exercise**” refers to the individual workout exercise under this Code undertaken by the eligible debtor and the participating institutions in formulating the proposed debt restructuring scheme.

4. GENERAL PRINCIPLES

- 4.1 The CDRC is intended to be a forum for the mediation of debt restructuring arrangements between Participants.
- 4.2 All creditors are encouraged to co-operate and work together towards achieving a common objective of a successful debt restructuring that restores the operations and business of an eligible debtor to commercial viability while respecting the priority of rights of such creditors and other capital or liquidity providers.
- 4.3 The CDRC aims to facilitate effective communication between eligible debtors and their creditors and to mediate conflicting interests with the aim of a successful debt restructuring workout. In this regard, the CDRC shall provide guidance to the eligible debtor and participating institutions during the workout exercise to ensure equitable treatment to all stakeholders.
- 4.4 In determining the consensus of the participating institutions in respect of any matters under the Code, the CDRC shall regard a decision taken with the affirmative votes of seventy-five percent (75%) of the total value of creditors (or class of creditors) as having achieved a consensus provided that in the event the seventy-five percent (75%) or more

of the total value consists of only a creditor, the decision must be supported by at least one other creditor.

5. ELIGIBILITY CRITERIA

5.1 Companies that meet the following criteria shall be eligible to be considered for admission to the CDRC:

- a) the applicant shall have an indebtedness arising under or in connection with any financing/loan agreements or arrangements or issuance of securities of at least Ringgit Malaysia Ten Million (RM10,000,000-00) in aggregate, and involving at least two (2) participating institutions;
- b) at the time of consideration by the CDRC, the applicant is not dissolved, in liquidation or in receivership or under judicial management, and no such actions or conditions exist at that time which may result in a dissolution, liquidation or receivership of the applicant. In the event that any such actions or conditions exist at the time of consideration, necessary steps shall be taken to keep such actions in abeyance;
- c) the applicant,
 - (i) has projected or demonstrated that it will imminently be in financial difficulty or is already experiencing difficulties in servicing its debt obligations; or
 - (ii) is a company listed on the Main Market or ACE Market of Bursa Malaysia that has been classified as a PN17 or GN3 company, respectively;
 and
- d) the applicant is required to demonstrate that it is in a position or capable of undertaking a debt restructuring scheme that will generally be in line with the Key Restructuring Principles as per paragraph 6.1.

5.2 In addition to fulfilling the eligibility criteria in paragraph 5.1, the applicant shall provide the CDRC with the following:-

- a) draft scheme (where applicable);
- b) future business plan, including cash flow projections;
- c) impact assessment on the failure of the company/business, together with an assessment of the primary causes or reasons which led to the current condition of the company/business;
- d) preliminary liquidation analysis;
- e) current legal status;
- f) scheme implementation timeline; and
- g) any other relevant documents as may be deemed necessary by the CDRC, not limited to those listed above.

- 5.3 Notwithstanding paragraphs 5.1 and 5.2, the CDRC in its absolute discretion may accept or reject applications as it deems fit. Applicants whose applications are accepted by the CDRC pursuant to this paragraph shall be deemed as an eligible debtor.
- 5.4 Subject to sub-paragraph 5.1 (b), any subsidiary or associated company of an eligible debtor may at the discretion of the CDRC be concurrently admitted with the eligible debtor as part of a group admission, and the said subsidiary or associated company so admitted shall be deemed as an eligible debtor.
- 5.5 The CDRC in its absolute discretion, may review and/or amend the eligibility criteria stipulated herein as it deems necessary for the purposes of preserving its overarching objectives of employment preservation and sustaining economic growth.

6. KEY RESTRUCTURING PRINCIPLES

- 6.1 The Key Restructuring Principles listed below serve as a guideline, and the Participating institutions have the discretion to approve variations and deviations as per the terms of the debt restructuring scheme:-
 - a) **First Loss Principle**: the losses incurred by an eligible debtor shall always be borne firstly by its ordinary shareholders, and followed by any preference shareholders and providers of subordinated loans or advances;
 - b) **Post-Restructuring Level of Borrowing**: the post-restructuring level of debt shall be set at a level that is commensurate with the debt servicing capability of the eligible debtor, taking into account, amongst others, its expected future cashflows and the value of its assets;
 - c) **Shortfall to Creditors**: any shortfall borne by participating institutions of an eligible debtor is to be compensated by way of issuance of equity, equity hybrids or any other type of instruments;
 - d) **Ranking**: the debt restructuring scheme shall recognise and acknowledge the existing priority and status of claims of the creditors of an eligible debtor at the time of application to the CDRC, and there shall be no changes in respect of the prevailing ranking and status of creditors;
 - e) **New Monies**: any claims by creditors of an eligible debtor in respect of new monies provided by its creditors, if any, to sustain the viability of the business shall be accorded a senior ranking status to the existing debts of the eligible debtor; and
 - f) **Operating Accounts**: where appropriate, there should be consolidation of the operating accounts of the eligible debtor, with the aim of providing transparency to its creditors of its actual cash flows.
- 6.2 Notwithstanding that variations and deviations are permissible under paragraph 6.1, the CDRC shall have the right to review and evaluate any variation or deviation from the Key Restructuring Principles to ensure that the scheme does not discriminate or disregard the rights of any creditor or class of creditors due to or arising from such variations or deviations. Any variation or deviation that discriminates or disregards the rights of any creditor or class of creditors may be rejected by the CDRC.

7. ORGANISATIONAL STRUCTURE

7.1 **Organs of the framework:** The following committees shall be formed under the framework, which shall jointly undertake the workout exercise:

- a) the Committee;
- b) the Operations Team; and
- c) the Creditors Committee.

7.2 The Committee

- a) The Committee shall comprise at least seven (7) members having the requisite experience and from legal, accounting or regulatory backgrounds, including but not limited to the following person(s):
 - (i) the chairman of the CDRC (“Chairman”);
 - (ii) representative(s) of BNM;
 - (iii) representative(s) of the Securities Commission Malaysia;
 - (iv) representative(s) from the Ministry of Finance; and
 - (v) independent representative(s) appointed by BNM.
- b) The Committee shall meet at least once a month either physically or remotely *via* online or a combination of both, unless varied by the Committee. At any meeting of the Committee, at least five (5) members of the Committee shall form the quorum for the convening of a Committee meeting.
- c) In the absence of the Chairman, the quorum present may nominate any member of the Committee present at the meeting to chair the Committee meeting.
- d) Decisions of the Committee may be effected by way of a circular resolution as follows:
 - (i) a resolution in writing, signed by all members of the Committee who are entitled to receive the notice of meeting, shall be as valid and effectual as if it had been passed at the Committee meeting duly convened and held; and
 - (ii) any such resolution may consist of one or more separate documents, containing statements in identical terms, each of which is signed by one or more Committee members, and shall together constitute one document containing statements in those terms signed by the Committee members on respective days on which they signed the separate documents. For avoidance of doubt, the expression “in writing” and “signed” shall include approval by legible confirmed transmission by facsimile, email or any other form of electronic communication.

- e) The Committee may, in the execution and exercise of all or any of its functions, duties or powers, delegate such functions, duties or powers to the Operations Team.
- f) The functions and duties of the Committee include the following:
 - (i) to consider applications made or referred cases to the CDRC and review whether such applicant meets the eligibility criteria;
 - (ii) to provide broad guidelines on the steps to be taken in the workout exercise to enable orderly and expeditious progress, whilst allowing the parties flexibility in exercising their commercial decisions in arriving at equitable and fair treatment of all classes of creditors;
 - (iii) to mediate disputes, if any, amongst participating institutions, or between participating institutions and eligible debtors; and
 - (iv) to exercise the power of the CDRC as provided under this code.
- g) A Committee member, if affiliated with any participating institution(s) that has a debt exposure share of 25% or more to an applicant or an eligible debtor, shall recuse himself/herself from the meeting during deliberations involving the applicant or the eligible debtor to prevent any potential conflict of interest.
- h) A Committee member, if affiliated with any participating institution(s) that has a debt exposure share of less than 25% to an applicant or an eligible debtor, shall notify the Committee of that fact, after which the remaining members of the Committee shall decide whether he/she is to be recused from the meeting during deliberations involving the applicant or the eligible debtor.
- i) If a Committee member or his/her immediate family member (i.e. spouse, children, parents or siblings):-
 - (i) is affiliated with the applicant, the applicant's subsidiaries, associate companies or eligible debtor;
 - (ii) is affiliated with an advisor of the applicant or eligible debtor;
 - (iii) is in a contract for service or consultancy arrangement with the applicant or eligible debtor; or
 - (iv) has substantial financial interest in the applicant or eligible debtor,

he/she shall notify the Committee of that fact, after which the remaining members of the Committee shall decide whether he/she is to be recused from the meeting during deliberations involving the applicant or eligible debtor.
- j) In any event, members who fall within the ambit of either sub-paragraphs 7.2(h) or 7.2(i) above shall not form more than 50% of members present at a meeting when deliberations involving the affiliated participating institutions are held.
- k) Ex-officio members, as listed in sub-paragraphs 7.2(a)(ii) to 7.2(a)(iv) above, shall be appointed for a period of two (2) years or any other period as may be determined by BNM during the tenure of their office and shall be eligible for reappointment.

- l) Other members of the Committee shall be appointed in their personal capacity for a period of two (2) years or any other period as may be determined by BNM and shall be eligible for reappointment.

7.3 The Operations Team

- a) The Operations Team shall carry out the following functions and duties in addition to any functions and duties as may be delegated or specified to it by the Committee:
 - (i) to keep a register of all applications made to the Committee by eligible debtors and submit the same to the Committee;
 - (ii) to handle all inquiries in respect of the CDRC;
 - (iii) to review all applications submitted, including conducting any initial screening procedures as it deems necessary;
 - (iv) to make recommendations to the Committee in respect of accepting or rejecting applications in accordance with sub-paragraph (c) hereof and to respond promptly to the applicants;
 - (v) to keep track of the progress and status of all applications;
 - (vi) to facilitate the convening of meetings of the Creditors Committee with the participating institutions and/or the eligible debtor, as the case may be;
 - (vii) to convene the Creditors Committee meetings;
 - (viii) to invite the eligible debtor to attend Creditors Committee meetings and to convene and chair such Creditors Committee meetings;
 - (ix) to monitor and ensure that the deadlines set are adhered to;
 - (x) to provide administrative support to the Committee in all administrative and technical matters as may be required; and
 - (xi) to provide reporting to the Committee.
- b) Members of the Operations Team are expected to conduct themselves with integrity, impartiality and professionalism at all times, and to avoid any conflict of interest that may arise in the performance of the functions and duties of the Operations Team. The Operations Team shall disclose to the Committee any situations involving any members of the Operations Team or entity with which they are affiliated that could reasonably be expected to give rise to a conflict of interest.
- c) The Operations Team is not a decision-making body and merely has administrative and secretarial responsibilities in respect of the functions and duties as prescribed in paragraph 7.3 hereof.

7.4 Creditors Committee

- a) A Creditors Committee consisting of participating institutions of an eligible debtor shall be formed in respect of each successful application.

- b) The members of the Creditors Committee shall comprise representatives from all or substantially all classes of creditors, including but not limited to secured creditors, unsecured creditors and bondholders, which collectively represent at least two-thirds (2/3) of the aggregate amount owed to the creditors. The respective representatives shall be senior officers of the participating institutions or creditors with decision-making authority in respect of the workout exercise.
- c) All Creditors Committee meetings will be chaired by a representative of the CDRC.
- d) The Creditors Committee will be responsible for the following matters:
 - (i) to be actively involved in the evaluation, negotiation and finalisation of the Proposed Debt Restructuring Scheme in accordance with the key restructuring principles as specified in paragraph 6.1;
 - (ii) to sufficiently raise salient issues or points for discussion during the CDRC mediated meetings for the benefit of all stakeholders during the workout exercise;
 - (iii) to finalise and recommend for approval the Proposed Debt Restructuring Scheme where appropriate; and
 - (iv) any other functions as may be deemed necessary for the workout exercise and are in accordance with the spirit of the Code.
- e) The eligible debtor shall prepare the minutes of the Creditors Committee meeting, which shall constitute as the official record of all proceedings.

8. PROCEDURES AND METHODOLOGY OF THE WORKOUT EXERCISE

- 8.1 **Application:** An application may be made to the CDRC by an eligible debtor for a workout exercise under the framework of the CDRC. Such application shall be in the form and substance as prescribed by the CDRC.
- 8.2 **Viability Assessment:** The CDRC shall, upon receipt of an application by an eligible debtor, conduct a preliminary viability assessment on the eligible debtor's application based on historical and currently available information to determine if there is a basis for a viable restructuring of the eligible debtor's debt.
- 8.3 **Notification:** The CDRC shall, within one (1) month from the date of application in paragraph 8.1 hereof, notify the eligible debtor and its creditors of its decision to accept or reject the application of the eligible debtor to the CDRC for a workout exercise under the framework of the CDRC.
- 8.4 **Standstill:** All participating institutions shall observe a standstill period in accordance with paragraph 9 of this Code. Notwithstanding the standstill and unless already obtained, the eligible debtor may require additional protection under provisions set out within Division 7 (Subdivisions 2 and 3) or Division 8 (Subdivisions 1 and 2) of the Companies Act 2016. In such circumstances, the eligible debtor shall make a written request to the CDRC, whose consent shall be required for any new restraining order applications and its subsequent extensions.

- 8.5 **Creditors Committee:** Upon notification of the acceptance of the eligible debtor's application into the CDRC as per paragraph 8.3 of the Code, a Creditors Committee shall be formed in accordance with the Code.
- 8.6 **Proposed Workout:** The eligible debtor shall proceed to prepare and submit a proposed debt restructuring scheme to the CDRC within sixty (60) days from the date of the notification of acceptance of its application in line with paragraph 8.3. The eligible debtor must show a genuine commitment to the workout exercise to justify the continued support of the CDRC and participating institutions. The proposed debt restructuring scheme shall-
- a) be accompanied by a "responsibility statement" which is to be printed on the eligible debtor's official letterhead and duly executed by a director of the eligible debtor as and when requested by the CDRC from time to time so long as the eligible debtor is under the purview of the CDRC (the standard format "responsibility statement" as provided by the CDRC);
 - b) be accompanied by a letter of undertaking and indemnity as per the standard format provided by the CDRC, which is to be printed on the debtor's official letterhead and duly executed by a director of the eligible debtor, where the eligible debtor amongst others will undertake to pay and settle all fees imposed by the CDRC and will fully indemnify and hold harmless the CDRC and its members from and against any claims, demands or legal actions arising out of or in connection with the proposed debt restructuring scheme. A certified true copy of the directors' resolution authorising the issuance of the aforementioned letter of undertaking and indemnity shall be attached together with the letter of undertaking and indemnity;
 - c) contain complete and comprehensive terms and conditions of the proposed debt restructuring scheme sufficient to be incorporated into a final restructuring agreement;
 - d) be guided by the Key Restructuring Principles as set out in paragraph 6.1 of the Code; and
 - e) be accompanied with the salient terms of the proposed debt restructuring scheme as well as all supporting documents as may be required for the execution of the final restructuring agreement.
- 8.7 **Formal Notification:** Upon finalisation of the proposed debt restructuring scheme, the participating institutions shall provide their formal decisions on the same within a period specified by the CDRC.
- 8.8 **Final Agreement:** Upon the CDRC's receipt of written confirmation from at least seventy-five percent (75%) of each class of creditors, the CDRC will notify the eligible debtor and its participating institutions that the proposed debt restructuring scheme is henceforth binding on all parties and they may proceed to prepare and execute the final restructuring agreement within a period specified by the CDRC.
- 8.9 **Discharge:** The eligible debtor may be discharged from the purview of the CDRC upon:
- a) execution of the legal documentation to effect the proposed debt restructuring scheme by the eligible debtor and the participating institutions; and/or
 - b) obtaining court sanction or court approval for the scheme of compromise and arrangement between the eligible debtor and scheme creditors (including participating institutions);

provided always that the CDRC maintains the absolute discretion to discharge the eligible debtor until the scheme becomes unconditional and/or effective.

9. STANDSTILL

- 9.1 Each participating institution shall observe a standstill period commencing from the date of CDRC's notification of the acceptance of an eligible debtor's application up to a period of six (6) months. The standstill period may be extended for another six (6) months for creditors to obtain internal approval for the proposed debt restructuring scheme, and for the completion of legal documentation and operationalisation of an agreed scheme. Any such extensions shall be granted upon the CDRC's receipt of written confirmation of agreement from a simple majority of each class of creditor in value and the CDRC's affirmation thereto. The original standstill period will cease if no written confirmation of any extension request is received upon its expiry. Any further extension beyond the 12-month standstill period for the operationalisation of the scheme will require at least seventy-five percent (75%) approval in value from each class of creditor and the CDRC's affirmation thereto.
- 9.2 Notwithstanding paragraph 9.1 above, the CDRC may at its absolute discretion extend the standstill period if deemed necessary.
- 9.3 The CDRC has the sole discretion to discharge any eligible debtor at any time as it deems fit, including but not limited to the following circumstances:-
 - a) wilful disregard of its undertakings to the CDRC and/or non-compliance with this Code;
 - b) unable to meet the agreed timeline;
 - c) where the proposed debt restructuring scheme is unlikely to be approved; or
 - d) where the CDRC deems that the eligible debtor is taking advantage of the standstill period.
- 9.4 Where participating institutions are holders of securities issued by the eligible debtor, such participating institutions shall instruct and authorise any trustee or other person appointed to represent the interests of the holders of such securities to adhere to the terms stipulated in the Code for and on behalf of the holders of the said securities.
- 9.5 During the Standstill Period, the participating institutions shall observe the following:
 - a) continue to make available and maintain the outstanding balance on all Facilities granted to the eligible debtor as at the commencement of the informal standstill;
 - b) not take or commence or continue any recovery action or legal proceedings against the Eligible Debtor or any of its assets, whether held as security or not, in respect of any of the Facilities or any other liability of the Eligible Debtor or permit any recovery action or proceedings to be taken on its behalf;
 - c) not accelerate or require payment of any liability of the eligible debtor in respect of any of the Facilities;

- d) not take any action to enforce or make any demand under any security or guarantee or similar support given in connection with the Facilities by the eligible debtor or any third-party security providers or guarantors;
- e) not exercise any right of set-off or consolidation of accounts in respect of amounts outstanding under any Facilities;
- f) not attempt to secure or obtain any guarantee, indemnity, charge, pledge, lien or any other security from the eligible debtor, save and except with the prior written consent from the other participating institutions in respect of that eligible debtor;
- g) not impose any penalty charges or late payment charges on any amounts due and payable under the Facilities as at the commencement of the Standstill Period;
- h) unless it is permitted under the transaction documents pertaining to the Facilities, not sell, assign or transfer its Facilities to any person or entity who is not a participating institution under the Code; and
- i) consent to repayments by eligible debtors in respect of Facilities of secured participating institutions whereby the Facilities have remained performing and the monies for such repayments are contractually derived from specific redemption sums or cash flows generated from projects undertaken by the eligible debtor, if any, to continue.

Notwithstanding, participating institutions may appeal to the CDRC to permit action which is deemed necessary to safeguard their position.

9.6 During the Standstill Period, the eligible debtor shall observe the following:

- a) to manage and conduct its core business in the ordinary and usual course and not to carry on any other business without the approval of the participating institutions;
- b) to diligently pursue claims against third parties (with de minimis exception);
- c) to ensure that any loan stock or advances from its directors or related companies are fully subordinated and remain fully subordinated to all rights, claims and actions which each participating institution may now or hereafter have against the eligible debtor in connection with the Facilities; and
- d) the eligible debtor shall not, without the prior approval of all the participating institutions-
 - (i) create, incur, assume or suffer or permit to exist any security interest upon any of its property, assets or revenues, or rights to receive income, whether now owned or hereafter acquired, except for any security interest existing upon notification of acceptance into the CDRC;
 - (ii) incur further borrowings or indebtedness;
 - (iii) declare any dividends whatsoever;
 - (iv) repay or redeem any redeemable preference shares, loan stock, or any advances from its directors or related companies;

- (v) acquire, dispose or transfer any material assets otherwise than in the ordinary course of business and on an arm's length basis;
- (vi) make any loan or advances to any related company or any other person, or make any investment;
- (vii) permit any significant change in its shareholding structure and/or management;
- (viii) make any payments in respect of interest on any loans or advances from its directors or related parties;
- (ix) incur and pay any expenses other than in the ordinary course of business;
- (x) enter into any transactions with related parties other than in the ordinary course of business and on an arm's length basis; or
- (xi) create any preferences for any of its creditors.

9.7 The eligible debtor shall provide an undertaking in writing signed by any of its directors that it shall diligently adhere to and comply with the above stipulations.

10. MEETINGS OF CREDITORS COMMITTEE

- 10.1 Attendance of all members of the Creditors Committee is mandatory for each meeting. Where a representative of a participating institution is unable to attend any Creditors Committee meetings, an alternate representative of similar seniority shall attend on behalf of that participating institution. Failure to attend any Creditors Committee meeting twice will result in the removal of the said creditor from the Creditors Committee, and any decisions thereon made by the remaining participating institutions/creditors shall be applicable to all participating institutions/creditors notwithstanding removal.
- 10.2 The eligible debtor shall furnish the CDRC and participating institutions with timely, complete and accurate information.

11. OBSERVANCE OF MILESTONES AND EXTENSION OF TIME

- 11.1 Delays in the workout exercise or the implementation of the debt restructuring scheme may have the effect of diminishing the possibility of the effective restructuring of the eligible debtor. To minimise the risk of this materialising, the Operations Team shall establish a tentative timeline which is expected to be met by all Participants and any other parties involved in the workout exercise. Failure to adhere to these timelines shall be deemed a breach of the Code as set out in paragraph 12 of the Code.
- 11.2 Notwithstanding paragraph 11.1, an eligible debtor may make a formal request to the CDRC for an extension of time to complete the workout exercise. This formal request for extension would require the written confirmation of agreement from at least seventy-five percent (75%) of each class of creditor. The CDRC, in its absolute discretion, may approve or decline the request as it deems fit.

12. NON-COMPLIANCE OF THE CODE

- 12.1 The failure of the participating institutions or the eligible debtor to observe or perform its obligations under the Code or under any arrangement or undertaking entered into in connection therewith shall be deemed conclusively by the CDRC as a non-compliance of the Code by such participating institutions or eligible debtor ("Non-Compliance") save and except otherwise communicated in writing by the CDRC to such participating institutions or eligible debtor.
- 12.2 If any participating institution or eligible debtor commits a Non-Compliance, any other participating institution or the eligible debtor, as the case may be, may report such Non-Compliance to the CDRC, and such report shall include all relevant details and evidence pertaining to the Non-Compliance.
- 12.3 Upon the receipt of such report or information on the Non-Compliance, the CDRC shall consider the matter and issue a letter notifying the participating institution or eligible debtor, as the case may be, of such Non-Compliance and provide a timeline for the remedy of such Non-Compliance to be complied with by the said participating institution or eligible debtor.
- 12.4 At any time during the Standstill Period, the CDRC shall have the absolute discretion to discharge the eligible debtor from under its purview if the eligible debtor commits any non-compliance or if the proposed debt restructuring scheme is deemed not feasible by participating institutions.
- 12.5 The eligible debtor shall not, for its benefit, use the CDRC's name to influence any third party in whatever form or manner while under the purview of the CDRC. Doing so shall be regarded as a Non-Compliance.

13. FEES AND EXPENSES

- 13.1 An administrative fee of 0.05% calculated on the total debt mediated is payable upon the earlier of either the signing of legal documentation to effect the proposed debt restructuring scheme by the eligible debtor and its participating institutions with the subsequent discharge of the eligible debtor from the purview of the CDRC or upon the effective date of the debt restructuring scheme.
- 13.2 The costs associated with negotiating and finalising the workout exercise will typically be borne by the debtor. Creditors should help to minimise expenses, and where feasible, the sharing of resources and appointment of advisers with appropriate expertise and at a reasonable cost should be encouraged.

14. CONFIDENTIALITY AND SECRECY

- 14.1 Each party under the Code, including but not limited to any consultants or experts appointed, their related employees and officers, shall not use or exploit for any purpose whatsoever, divulge or communicate to any person any information relating to the affairs of the eligible debtor and or any participating institution, or any confidential knowledge or information or any legal, financial, trading or other information relating to the eligible debtor, which shall include its subsidiaries, third party security providers and guarantors or the participating institution which it may receive or obtain through the workout exercise save and except as may be required by law.

- 14.2 Notwithstanding the above, the CDRC and participating institutions may disclose the information obtained from the eligible debtors, including information relating to any relevant third parties in which the eligible debtors are assumed to have obtained all consents as necessary from the said third parties for the disclosure of the information, to each other, its board of directors, employees, representatives, advisors/consultants, solicitors, accountants and appointed experts (hereinafter called "Permitted Persons") for the purpose of performing their duties and obligations under this Code.

15. RELEASE AND INDEMNITY

- 15.1 Any party who subscribes to the Code shall indemnify and hold harmless the CDRC and the officers, members, servants, agents and advisers of the CDRC for any loss or damage caused or likely to be caused by anything which is done, omitted or intended to be done in good faith in furtherance of the workout exercise in accordance with the Code against any legal proceeding, suit, action, prosecution, arbitration, claim, demand, fine, judgement, award, penalty, charges, damages, compensation or any other form of dispute resolution and also losses costs and expenses incurred in defending against such matters.

16. MISCELLANEOUS

- 16.1 The Code may be amended at any time and from time to time in the absolute discretion of the CDRC.
- 16.2 The decisions of the CDRC and/or the Committee, as the case may be, in respect of any matters to be decided by them in accordance with the Code, shall be final and conclusive.