

Policy Manual

Borrowing

1. Purpose

To ensure selection and use of the most cost effective debt financing to meet current operations, operating capital needs, capital project needs, to meet operating cash requirements and for certain purchases of equipment. The constant monitoring of the Company's debt capacity and gearing ratio is essential for good financial management.

2. Debt Financing Selection

1. The treasury manager is responsible for assessing and selecting the most cost effective debt financing alternatives to meet current operation and cash requirements.
2. The CEO, Executive Director (ED), Company Secretary or in their absence any other officer authorized by CEO or ED for this purpose must approve all debt agreements prior to their execution.

3. Determination of Debt Capacity

1. The finance and treasury department is responsible for determining and assessing the debt capacity and requirement of the company and reporting this assessment to the CEO, Executive Director or Company Secretary. The finance and treasury department is also responsible for assessing and selecting the most cost effective debt financing alternatives to meet current operation and capital project needs.

4. Debt Management – Operations

1. The finance and treasury department is responsible for meeting the cash requirements for the Company.
2. The manger/assistant manager treasury is responsible for negotiating and executing debt agreements on behalf of the company after approval of the CEO, Executive Director (ED), Company Secretary or in their absence any other officer authorized by CEO or ED for this purpose.
3. The manger/assistant manager treasury is responsible for administering debt service requirements and ensuring compliance with applicable debt covenants.
4. The treasury department will maintain written documentation for all internal loans borrowings.

5. Debt Management – Capital Project

1. The finance and treasury department is responsible for selecting the debt financing alternative appropriate for capital projects after approval of the CEO, Executive Director

(ED), Company Secretary or in their absence any other officer authorized by CEO or ED for this purpose. All debt financings must be supported by an identified debt service source.

2. All capital project financings exceeding the limits defined under Companies Ordinance, 1984 must be approved by the Board of Directors.
3. The treasury department is responsible for administering debt service requirements and ensuring compliance with applicable debt covenants.

6. Bank Lines of Credit

1. The treasury department is responsible for reviewing and determining the appropriate levels and types of bank lines of credit for approval by the CEO, Executive Director (ED), Company Secretary or in their absence any other officer authorized by CEO or ED for this purpose.
2. The treasury department is responsible for establishing and administering all bank lines of credit as approved by the CEO, Executive Director (ED), Company Secretary or in their absence any other officer authorized by CEO or ED for this purpose.
3. The status of all bank lines of credit will be reviewed by the treasury department and reported to the CEO, Executive Director or Company Secretary on on-going basis.
4. The treasury department is responsible for administering debt services requirements and ensuring compliance with applicable debt covenants. The finance and treasury department is responsible for selecting the debt financing alternative appropriate for capital projects. All debt financings must be supported by an identified debt service source.

7. Bank Letters of Credit

1. The export, sales or treasury department, whichever the case, is responsible for determining the appropriateness of bank letters of credit as per requirements of the company.
2. The export, sales or treasury department, whichever the case, is responsible for negotiating the placement of all letters of credit.
3. The treasury manager will annually submit to the CEO, Executive Director or Company Secretary a report of all outstanding letters of credit.