Internal Memo No..: HR-2026-006_Policy on Company Loan

Memo No.:HR-2026-006
Date: August 10, 2026
To: All Employees
From: HR Department
Subject: Policy on Company Loan

I. PURPOSE

To provide eligible employees with access to financial assistance for legitimate and reasonable personal needs, while ensuring responsible borrowing, proper repayment, and effective management of the Company's funds.

II. SCOPE

This policy applies to all regular employees of the Company who meet the eligibility requirements and comply with the Company's prescribed loan application and approval process.

III. ELIGIBLITY

1. Company Loans are available to regular employees only.
2. Probationary, temporary, casual, project-based, contractual, and other non-regular employees are not eligible to apply.
3. An employee must have no existing active Company Loan, except when the existing loan qualifies for early full settlement under this policy.
4. The employee must comply with all application, documentation, approval, and repayment requirements.

IV. LOANABLE AMOUNT

1. The maximum Company Loan shall generally be equivalent to one (1) month of the employee's basic monthly salary.
2. A loan amount exceeding one (1) month of basic salary may be considered only under exceptional and justifiable circumstances, such as family emergencies, financial assistance due to natural disasters or calamities, or other significant and unforeseen financial needs.
3. Any loan exceeding the standard limit shall be subject to case-to-case evaluation and approval by Management and must be supported by sufficient and appropriate documentation.

4. Approval shall not be automatic or considered an employee entitlement. Management may approve, reduce, or deny the requested amount based on the validity of the need, supporting documents, and the employee's capacity to repay.
5. Requests without sufficient justification or supporting documents may be denied.

V. EXCEPTIONAL LOAN

A loan exceeding one (1) month of basic salary may be considered only under exceptional and justifiable circumstances, such as:

5.1 Family emergencies;
5.2 Financial assistance resulting from natural disasters or calamities;
5.3 Significant damage to the employee's residence or property; or
5.4 Other significant and unforeseen financial needs.

An exceptional loan must be supported by appropriate documentation and shall be subject to case-to-case evaluation and approval by Management.

Approval is not automatic. Management may approve, reduce, or deny the requested amount based on the validity of the need, supporting documents, repayment capacity, and other relevant considerations.

VI. LOAN TERM

6.1 The maximum repayment period is twelve (12) months or one (1) year.
6.2 The approved payment term shall be stated in the Company Loan Agreement.
6.3 Repayment shall generally be made through automatic payroll deduction.

VII. ONE ACTIVE LOAN POLICY

7.1 An employee may have only one (1) active Company Loan at a time.
7.2 An employee cannot apply for another Company Loan while the existing loan has an outstanding balance.
7.3 A new loan may only be applied for once the existing loan has been fully paid and has a zero balance

Early Full Settlement: An employee may request to fully settle the existing loan once the outstanding balance reaches twenty-five percent (25%) or less of the original approved loan amount. Upon approval of the request the remaining balance shall be fully settled from the employee's salary, subject to applicable payroll rules, and the loan must result in a zero balance before a new loan may be applied for.

VIII. LOAN AVAILABILITY AND CAPACITY CONTROLS

To ensure responsible management of the Company's loan funds and maintain sufficient financial capacity, the following limits shall apply:

8.1 The Company shall allow a maximum of ten (10) active Company Loan borrowers at any given time.

8.2 The Company shall approve a maximum of three (3) new Company Loans per month.

8.3 Once the maximum number of active borrowers or monthly approvals has been reached, new applications may be deferred to the succeeding month or until loan capacity becomes available, subject to the Company's evaluation and approval process.
8.4 Meeting the eligibility requirements does not guarantee immediate approval. All applications remain subject to the Company's available loan capacity, monthly approval limit, evaluation, and Management approval where applicable.

8.5 The maximum number of active borrowers and monthly approvals may be reviewed and adjusted by Management based on the Company's financial capacity, operational requirements, and overall loan fund availability.

IX. APPLICATION, APPROVAL, AND REPAYMENT

9.1 All Company Loan applications shall be processed through the Human Resources Department using the prescribed application form and required supporting documents.

9.2 HR shall verify the employee's eligibility, existing loan balance, requested amount, repayment capacity, and completeness of requirements before endorsement for approval.

9.3 Approval of a Company Loan is not automatic. The Company may approve, partially approve, defer, or deny any application. Loans exceeding one (1) month of basic salary require Management approval and sufficient supporting justification.

9.4 Upon approval, the employee shall sign the required Company Loan Agreement and payroll deduction authorization. Loan repayments shall be made through salary deductions based on the approved payment schedule.

X. SEPARATION FROM EMPLOYMENT

In the event that an employee resigns, is terminated, retires, or otherwise separates from the Company while a Company Loan remains outstanding, the remaining loan balance shall be subject to full settlement upon separation.

The outstanding balance shall be deducted from the employee's final pay to the extent legally permissible and subject to the employee's signed Loan Agreement and applicable laws and regulations.

If the employee's final pay is insufficient to fully settle the outstanding balance, the remaining amount shall remain a valid and collectible obligation of the employee to the Company.

Any arrangement for the settlement of the remaining balance shall be subject to the Company's discretion and shall not be considered an automatic right or entitlement of the separating employee.

The Company reserves the right to take appropriate and lawful measures to recover any unpaid balance in accordance with the employee's Loan Agreement and applicable laws.

XI. FALSE INFORMATION OR MISREPRESENTATION

Submission of false information, falsified documents, or any attempt to circumvent the Company's loan policy may result in denial or cancellation of the loan and may be subject to appropriate administrative action.

XII. MANAGEMENT DISCRETION

The Company reserves the right to approve, deny, reduce, defer, or impose conditions on any Company Loan application based on the employee's eligibility, financial need, repayment capacity, supporting documents, and the Company's financial and operational considerations.

Approval of a particular loan shall not create an automatic entitlement or precedent for other employees.

XIII. POLICY AMENDMENT

The Company reserves the right to amend, revise, suspend, or discontinue this policy as necessary. Any changes shall be properly communicated to affected employees.

XIV. EFFECTIVITY

This policy shall take effect immediately, and shall remain in force until amended, superseded, or revoked by the Company.

For your guidance.

Human Resource

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