

KERJAYA PROSPEK GROUP BERHAD

Registration No. 198401010054 (122592-U)

MONEYLENDING – PAYMENT DEFAULT POLICY

Custodian : Finance Department

MONEYLENDING – PAYMENT DEFAULT POLICY

1. Purpose

This policy establishes the framework and procedures for managing borrower payment defaults in compliance with the **Moneylenders Act 1951** and applicable regulations. It ensures fair treatment of borrowers, effective recovery of outstanding debts, and protection of the Company's financial integrity.

2. Scope

This policy applies to all loans issued under the Company's moneylending license, including personal loans, business loans, and secured lending facilities.

3. Objectives

- To identify and manage defaults promptly.
- To ensure recovery actions are lawful, ethical, and transparent.
- To provide restructuring options where feasible.
- To safeguard the Company's portfolio quality and reputation.

4. Definitions

- **Default:** means the failure of a borrower to make any payment due under the loan agreement on or before its due date.
- **Minor Default:** 1–30 days overdue.
- **Serious Default:** 31–90 days overdue.
- **Critical Default:** >90 days overdue.

5. Roles & Responsibilities

- **Board of Directors:**
 - Approves overall default management strategy.
 - Reviews delinquency reports and approves write-offs.
- **Credit Committee:**
 - Reviews restructuring proposals and approves repayment plans.
 - Monitors portfolio quality and escalates material risks.
- **Collections Team:**
 - Executes reminders, follow-ups, and borrower engagement.
 - Issues demand letters and coordinates with legal counsel.
- **Legal:**
 - Ensures recovery actions comply with the Moneylenders Act 1951.
 - Oversees issuance of statutory forms (Form K – Statement of Account).

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6. Default Management Process

Stage	Action	Responsible Party
Stage 1 – Reminder	Issue written reminder and Form K statement of account.	Collections Officer
Stage 2 – Follow-up	Contact borrower via phone/email; discuss repayment.	Collections Team
Stage 3 – Restructuring	Offer rescheduling or partial settlement plan if borrower is cooperative.	Credit Committee
Stage 4 – Penalties	Apply late payment charges as permitted under law.	Finance Department
Stage 5 – Legal Notice	Issue demand letter; notify borrower of legal action.	Legal
Stage 6 – Recovery	Consider and initiate appropriate legal recovery actions where commercially justified (court action, enforcement).	Legal Counsel
Stage 7 – Write-off	Classify as bad debt if unrecoverable; Board approval required.	Board of Directors

7. Borrower Rights

- Right to receive a statement of account (Form K) upon request.
- Right to early settlement with recalculated interest.
- Protection against unlawful recovery practices, harassment, or predatory conduct.
- All personal information relating to borrowers shall be handled in accordance with the applicable laws.

8. Reporting & Monitoring

- Monthly delinquency reports submitted to the Credit Committee.
- Quarterly portfolio performance reports submitted to the Board.
- Annual review of default management effectiveness.

9. Conflict of Interest

Officers involved in the review of restructuring proposals, write-offs or recovery actions shall declare any actual or potential conflict of interest and abstain from the relevant decision-making process.

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10. Review

This policy shall be reviewed annually by the Board to ensure continued compliance with regulatory requirements and alignment with business objectives.