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POLICY STATEMENT

The Company upholds creditors' right by honoring contracted obligations and providing information required under the Revised Disclosure Rules and the Securities Regulation Code, if applicable, audited financial statements prepared compliant with applicable financial reporting standards, and other periodic reports compliant with the provisions of law, loan covenants and other regulatory requirements.

OBJECTIVES

1. To provide the guiding principles to ensure protection of creditors' rights.
2. To identify the duties of responsible departments in protecting the rights of creditors.

SCOPE AND COVERAGE


This policy shall cover the documentation, reporting and disclosure requirements to promote transparency for the protection of the rights of creditors of Robinsons Retail Holdings, Inc. (RRHI) and its subsidiaries.

DEFINITION OF TERMS

1. Bangko Sentral ng Pilipinas - is the central bank of the Republic of the Philippines.
2. Corporation Code – means Batas Pambansa Bilang 68, otherwise known as the "Corporation Code of the Philippines, including all amendments thereto.
3. Corporate Governance – the framework of rules, systems and processes in the Corporation that governs the performance by the Board of Directors and Management of their respective duties and responsibilities to the stockholders;
4. Creditor – a bank, supplier or person that has provided credit to a company
5. Internal Audit – an independent and objective assurance activity designed to add value to and improve the Corporation's operations, and help it accomplish its objectives by providing a systematic and disciplined approach in the evaluation and improvement of the effectiveness of risk management, control and governance processes;
6. Internal Control System – the framework under which internal controls are developed and implemented (alone or in concert with other policies and procedures) to manage and control a particular risk or business activity, or combination of risks or business activities, to which the Company is exposed.
7. Stakeholders – are the Company's customers, employees, suppliers, financiers, government, business partners, including the communities and environment it operates in, all of whom are important to a successful business.

GUIDING PRINCIPLES


1. The Company's corporate governance shall recognize the rights of creditors established by law or through mutual agreements and shall encourage active cooperation in creating wealth, jobs and the sustainability of financially sound enterprises.
2. The Company's corporate governance framework shall be complemented by an effective cash and liquidity management system that will protect creditors' rights.

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3. The Company shall ensure that an effective internal audit system is in place to reasonably assure all stakeholders that the audited financial statements are complete and correct in all material respects, have been prepared in compliance with applicable financial reporting standards and fairly present the financial condition of the Company and the results of its operations as of the date thereof and for the period then ended.
4. The Company shall ensure transparency by providing timely and accurate disclosure required under the Revised Disclosure Rules and the Securities Regulation Code, if applicable, including the financial position, performance, ownership and governance structure of the Company. Disclosure shall include, but not limited to, material information on:
 - 4.1. The financial and operating results of the Company prepared and disclosed in accordance with applicable financial reporting standards;
 - 4.2. Major share ownership and voting rights;
 - 4.3. Related party transactions;
 - 4.4. Foreseeable risk factors;
 - 4.5. Governance structures and policies
5. Creditors are free to communicate their concerns about illegal or unethical practices directly to the Board through the various reporting channels of the Conflict of Interest Committee, and this act shall not compromise their rights.
 - 5.1. Where the creditors' interests are protected by law, creditors have the opportunity to obtain effective redress for violation of their rights.

RESPONSIBILITIES

1. Corporate Treasury Department (CTD) shall be responsible for the ensuring that the Company shall be able to comply with all obligations through the overall management of liquidity risk including but not limited to:
 - 1.1. Monitoring and maintaining an adequate level of cash, cash equivalent and bank credit facilities to the finance the Company's operating requirements;
 - 1.2. Ensuring that excess cash are invested in temporary, medium or long-term investments;
 - 1.3. Monitoring all bank accounts, reviewing all transactions and preparing daily cash position;
 - 1.4. Managing debt profile with debt maturities well spread out;
 - 1.5. Maintaining healthy financial ratios including but not limited to debt to equity ratio and liquidity ratios ;
 - 1.6. Creating tools or loan database to aid in the monitoring of obligations and timely payment of interests and loan principal;
 - 1.7. Ensuring compliance with the reportorial and monitoring requirements of the Bangko Sentral ng Philipinas related to foreign loan;

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- 1.8. Managing relationships with creditors ensuring compliance with all contracted terms and conditions.
- 1.9. Monitoring of receivables and payables to ensure positive position at optimal levels;
2. ERMG shall be responsible for:
 - 2.1. Recommendation of risk policies that impact liabilities and accounts payable processing.
 - 2.2. Work hand in hand with the Corporate Governance Compliance Officer in ensuring compliance with the provisions of Corporate Governance Manual.
3. Controllership shall be responsible for the timely preparation and submission of financial reports including disclosures thereto in accordance with required standard of financial reporting.
4. Corporate Internal Audit Department shall be responsible for examining, evaluating and ensuring that internal control policies and procedures are adequate, efficient, and functioning as designed by management.
5. Corporate Planning and Investor Relations Department (CPIRD) shall be responsible for:
 - 5.1. Communicating company news to shareholders, stakeholders and creditors including information related to changes in the officers of listed companies, major investments, earnings, and other financial data.
 - 5.2. Complying with loan covenants including periodic submission to creditors of Certified Financial Statements, No Default Certification and Certification on Compliance with Financial Ratio Limits
6. The Corporate Secretary shall be responsible for complying with all the disclosure requirements in accordance with the guidelines and memorandum released by the Securities and Exchange Commission and the Philippine Stock Exchange
7. CTD, CPIRD and the Corporate Secretary shall be jointly responsible for preparing and/or reviewing the loan/bond agreements, terms and conditions including the covenants, undertakings, representations and warranties, and provisions related to the events of default to ensure that all terms and conditions are in accordance with the provisions of the law and safeguard all stakeholders.

EFFECTIVITY CLAUSE

This policy shall take effect upon approval and shall continue to be in force unless superseded by new policies and guidelines.