

SECTION L – CLAIMS OF CREDITORS

L1. Claims admissible for payments

- (a) Under all the insolvency procedures, all types of claims with financial value may be admissible for payment. Please note, under composition and bankruptcy, the secured creditors maintains its right to be paid by the enforcement of its security interest.
- (b) At the date of approval for commencement of the composition or reorganization proceedings or at the date of bankruptcy declaration, the amounts of admissible debt shall be appraised and computed.
- (c), (d) In all procedures, the creditors shall report their claims in accordance to the reporting method as provided respectively. The reporting procedure is administrative in nature. The reported claim is then reviewed and may be disputed or denied as follows:

Composition Procedure:

Other creditors, debtor or the administrator may give an objection against other claims. Creditors may prove its claims by any proofs or evidence.

Reorganization Procedure:

Administrator or creditors may give an objection against another claims reported by other creditor, who shall bring lawsuit to the court against the administrator or creditors in opposition.

Bankruptcy Procedure:

Creditors may give an objection against other claims reported by another creditor, and the court shall judge the disputed claims. The method to prove the claims may be made by any proofs or evidence.

L 2. Priority and payment of creditors' claims

- (a), (b) Priority of payment to creditors' claims under each type of insolvency procedure is classified in the following order: (i) common benefit claims ("Kongick Chaekwon") – the minimum amount of debt as recognized to maintain the debtor company; (ii) secured claims; and (iii) unsecured claims.

Creditors holding the same class of claims shall be treated and paid equally.