

**INTERNAL MEMO**

To : All Sales Staff, Unit Heads, Branch Managers, & RSO Head.
Cc : Managing Director & all Executive Directors, Finance
From : Hau Kok Peck, Head of CCG & E-Biz Group
Date : 19 November 2015
RE : **Revision of Incentive Scheme for PF and CC**

In the current FY – considerable effort was done to enhance and develop new products, notably:

- a) Personal Financing – Maximum loan amount has been increased from RM50K to RM100K and Loan Tenure is extended to 7 years from previous 5 years.
- b) AEON BiG Credit Card – A new credit card launched on 19th Nov 2015, which offers savings up to 15.45% for cardholders who spend in AEON BiG.

As a result of extensive dialogue and feedback from the ground, management has reviewed and revised the Incentive Scheme for PF and CC, and created new schemes for Operation Staffs, Point Card Recruiters and Dedicated HQ Telemarketing staffs.

The objectives of the new Incentive Scheme are:

1. To motivate all staffs to maximize their sales productivity.
2. To allow more Sales Staff to enjoy Sales Incentive by achieving sales target.

The changes are as follows:

Part A: Incentive for Sales Staff, Recruiters, Telemarketing and CSU Head

The qualification for Incentive is as below:

- a) Staffs who achieve 100% for both PF and CC will get their incentive as per Incentive Table.
- b) Staffs who achieve $\geq 100\%$ for PF but $< 100\%$ CC, will get only 80% of the PF Incentive. There will be no payment for CC.
- c) Staffs who achieves $\geq 100\%$ for CC but $< 100\%$ PF, will get only 80% of the CC Incentive. There will be no payment for PF.
- d) Staffs who achieves $< 100\%$ for both PF and CC will not get any Incentive.

SALES ACHIEVEMENT		INCENTIVE		
PF	CC	Existing	NEW	Remarks
$< 80\%$	$< 80\%$	No	NO	
$\geq 80\% - < 100\%$	$\geq 80\% - < 100\%$	Yes	NO	
$\geq 100\%$	$< 100\%$	No	YES	YES for PF only, but amount reduced by 20%. NO incentive for CC.
$< 100\%$	$\geq 100\%$	No	YES	YES for CC only, but amount reduced by 20%. NO incentive for PF.
$\geq 100\%$	$\geq 100\%$	Yes	YES	

Changes to the PF Incentive Table are:

- a) New Incentive Tiers at 10% incremental of Sales Achievements for PF – vs 20% incremental to encourage higher incentive for staffs.
- b) Remove Tiering based on PF Loan Amount (less than RM5,000 and RM5,000 or more), and consolidate into a Single Tier based on the higher payout %.
- c) Remove Incentive for Sales Achievement $< 100\%$ target.

The New Incentive Table for PF is as below:

PF Achievement Against Target		Sales Staff/ Team Leader Payout				CSU Head Payout*
		New	Express	Refinancing	Low Interest	
Tier 1	100% - 109.99%	0.800%	0.500%	0.500%	0.500%	0.150%
Tier 2 (New)	110% - 119.99%	0.825%	0.525%	0.525%	0.525%	0.175%
Tier 3	120% - 129.99%	0.900%	0.600%	0.600%	0.600%	0.200%
Tier 4 (New)	130% - 139.99%	0.925%	0.625%	0.625%	0.625%	0.225%
Tier 5 (New)	140% - 149.99%	0.950%	0.650%	0.650%	0.650%	0.225%
Tier 6	150% & Above	1.000%	0.700%	0.700%	0.700%	0.250%

The Incentive Table for CC is as below, no changes except we removed the <100% sales achievement.

CC Achievement Against Target		Sales Staff/ Team Leader Payout		CSU Head*
		Card Type		
		Gold (RM)	Classic (RM)	
Tier 1	100% - 119.99%	80.00	60.00	10.00
Tier 2	120% - 149.99%	100.00	80.00	15.00
Tier 3	Tier 5: 150% & Above	120.00	100.00	20.00

The Sales Target for Alpha, Bravo, Charlie, Delta and Elite (TM) will remain unchanged as below:

Segment	Target = 100%	
	PF	CC
Alpha	245,000	2
Bravo	170,000	4
Charlie	100,000	8
Delta	70,000	10
Elite - TM	100,000	7

For Sales Illustration, please refer to the Appendix.

Part B: CSU Operation Staff Incentive

CSU Operation Staff will enjoy incentive of 0.20% of the S&P amount for All Loan Types (New, Express, Low Interest and Refinancing).

To be eligible for the Incentive above, each CSU Operation Staff needs to achieve the target below:

- Alpha and Bravo Branch: \geq RM50,000 S&P per staff
- Charlie and Delta Branch: \geq RM30,000 S&P per staff

Incentive	Existing	NEW
Loan Type	Express Cardholder Only	For Express, New, Low Interest and Refinancing.
Payout	RM6 per case	0.20% of S&P Signed Amount
Conditions	No Condition	CSU Operation Staff will need to achieve 100% S&P target set by their Branch Category: Alpha & Bravo: RM50,000 per staff Charlie & Delta: RM30,000 per staff

Part C: Point Card Recruiters and HQ Telemarketing Dedicated Team

Point Card Recruiters and HQ TM Dedicated Team for CC will enjoy the Incentive Scheme below:

TIER	ACHIEVEMENT	APPROVED CARDS	GOLD (RM)	CLASSIC (RM)
1	100% - 119.99%	10 - 11	80	60
2	120% - 149.99%	12 - 14	100	80
3	150% and Above	15 and above	120	100

Effective Date

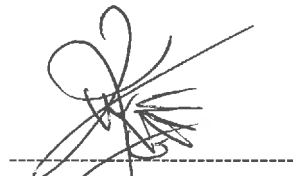
1. For Part A and B, this scheme will take effect from 1st November 2015 onwards.
2. For Part C – The scheme will be effective from 12th Sept 2015 onwards.
As a special consideration due to the fact that Point Card Recruiters are new in selling AEON BiG credit card and Sept is not a full target month (started 12th Sept 2015), we will pay incentive for any approved cards (below 100% target), at the rate of RM80 for Gold and RM60 for Classic. Achievement above 100% will follow the new incentive table. This is applicable to Sept 2015 only.
October 2015 onwards they will need to follow the scheme and criteria above.

We are confident that you, our sales force will take this opportunity to maximize your productivity and hence will enjoy higher income.

Please disseminate the information to all sales and CSU staff. For further enquiries, please do not hesitate to contact myself or Mr Gan at ext 9589.

Thank you and Happy Selling!

Regards,



Hau Kok Peck
AGM
Head of CCG & E-Biz Group

APPENDIX

Staff A will get Incentive because he achieved 110% ($\geq 100\%$) in PF (all New Cases), even though he did not achieve CC target. The incentive payout for PF will further be reduced to 80% because he did not achieve both PF + CC targets. There will be no payout for CC because he did not achieve CC target.

Instead of receiving no Incentive, Staff A now enjoys RM726 for his PF achievement.

Staff A

Product	Target	Achievement	Vs Target	Existing Incentive	NEW INCENTIVE
PF	RM100,000	RM110,000 (assume all New)	110%	RM0	$(RM110,000 \times 0.825\%) \times 80\% = RM726$
CC	8 cards	3 cards	37.5%	RM0	RM0
TOTAL				RM0	RM726

Staff B will get Incentive for CC only because he achieves 100% in CC. The amount is reduced 80%.

Under current scheme, he will not receive anything.

Staff B

Product	Target	Achievement	Vs Target	Existing Incentive	NEW INCENTIVE
PF	RM100,000	RM50,000	50%	RM0	RM0
CC	8 cards	8 cards (assume all Gold)	100%	RM0	$8 \text{ cards} \times RM80 \times 80\% = RM512$
TOTAL				RM0	RM512

Staff C achieves $\geq 80\%$ for both PF and CC but is less than 100%. Current scheme he will be paid RM820. New scheme he will not receive anything.

Staff C should achieve at least 100% of either PF or CC, or both products 100% to enjoy higher incentive.

Staff C

Product	Target	Achievement	Vs Target	Existing Incentive	NEW INCENTIVE
PF	RM100,000	RM80,000	80%	$RM80,000 \times 0.5\% = RM400$	RM0
CC	8 cards	7 cards (assume all Classic)	87.5%	$7 \text{ cards} \times RM60 = RM420$	RM0
TOTAL				RM820	RM0

Staff D achieves 100% PF sales, but only 87.5% of CC target. Current scheme, staff D will get RM1,220 incentive. With new scheme, Staff D will only get RM640 because he fails to achieve 100% CC target, therefore no payment for CC and PF Incentive reduced to 80%.

Staff D is advised to achieve 100% CC (8 cards) to enjoy higher incentive.

Staff D

Product	Target	Achievement	Vs Target	Existing Incentive	NEW INCENTIVE
PF	RM100,000	RM100,000	100%	RM100,000 x 0.8% = RM800	RM800 x 80% = RM640
CC	8 cards	7 cards (assume all Classic)	87.5%	7 cards x RM60 = RM420	RM0
TOTAL				RM1,220	RM640