

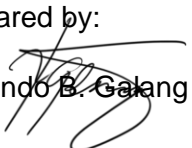
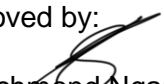
MITSUKOSHI MOTORS PHILIPPINES, INC.		
POLICY AND PROCEDURE		
POLICY TITLE:	UNIT VERIFICATION	Ref. No.
DEPARTMENT :	OPERATIONS SUPPORT DEPARTMENT	OPS 2015-12-013
TO :	ACCOUNT COUNSELOR / CREDIT SUPERVISOR / BRANCH MANAGER	December 1, 2015

## OBJECTIVE

1. To guide the branch in conducting proper unit verification of the released financed motorcycle unit.
2. To ensure that the terms and conditions were properly explained to the customer, including but not limited to financing contract term, monthly installment amount, PPD, penalty.
3. To check whether the recommendation and approval was based on a sound basis.
4. To ensure that the credit investigation was done in accordance with company's standard operating procedures.
5. To ensure that the pre-delivery inspection of the MC unit was done at the presence of the customer.

## POLICY

1. It is the responsibility of the branch to conduct an ocular inspection of the motorcycle unit financed by the Company not earlier than seven (7) days but not later than the twenty (20) days after delivery of the said motorcycle unit. A Unit Verification (UV) Form shall support the actual or ocular inspection of the financed motorcycle unit.
2. The scope of this policy is motorcycle unit sold on installment whether brand new or repossessed; including repossessed unit disposed through assumption scheme.
3. The unit verification must be conducted at the residence of the customer. However, if the customer is not available at his/her residence, unit verification can be conducted at the office, tricycle terminal, business address or any place where the subject unit is available. In cases where the motorcycle unit was not seen during the unit verification, confirmation must be made in the whereabouts of the motorcycle unit.
4. The field personnel shall stencil the chassis and engine numbers of the financed motorcycle unit. The stencil must be checked against the Sales Invoice covering the brand new installment sale. Any discrepancy must be immediately remedied and corrected to prevent any irritant with the customer and complication later on.

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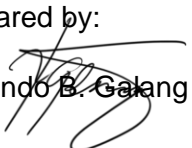
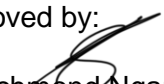
This discrepancy is a serious matter and must be immediately referred to Customer Service/LTO Department for immediate settlement.

5. Various questions shall be filled out and must be answered by the customer.
  - 5.1. Whether the branch has done their part in educating the customer about the terms and conditions of the financing contract.
  - 5.2. How the customer comes into contact about MMPI motorcycle products, e.g. through sales agent, display center, walk-in or fliers.
6. It is the responsibility of the field personnel to inform the Branch Manager of any violations made by the customer in the proper usage of the financed motorcycle unit and on the terms and conditions of the financing contract.
7. If the credit investigation was conducted not in accordance with Company's credit standards, the field personnel should report questionable recommendation for approval, if he thinks that during his verification, the customer should have been disapproved.

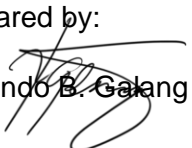
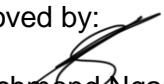
## PROCEDURES

### 1. Field Personnel

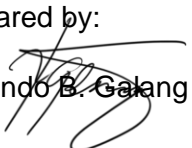
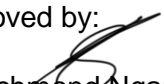
- 1.1. Pull out Customer Loan Folder from the file and copy the sketch in the Credit Investigation Report or Credit Application Form at the back of Unit Verification (UV) Form to easily locate the customer's residence.
- 1.2. Conduct the unit verification at the residence of the customer.
  - 1.2.1. If the customer is not available at the latter's residence, conduct unit verification at the office, tricycle terminal, business address or any place where the subject unit is available.
  - 1.2.2. Conduct the unit verification discreetly so as not to affect the relationship with the customer.
  - 1.2.3. Convey to the customer that the primary objective in conducting this process is for satisfaction check, this is to avoid any inkling that our real objective is to check proper usage and existence of the financed motorcycle unit.
  - 1.2.4. In cases the financed motorcycle unit was not seen during the unit verification, confirm whereabouts of the unit.
    - 1.2.4.1. Indicate in the "Other Findings" portion any negative findings or observation during unit verification on the whereabouts of the financed unit;
      - 1.2.4.1.1. Unit was pawned;
      - 1.2.4.1.2. Unit was transferred to another location;
      - 1.2.4.1.3. The sale is an illegal accommodation;

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- 1.2.4.1.4. The transaction was done to circumvent the Company's policy, e.g. the financed unit was assumed by spouse or other relatives living in the same house with the customer wherein the main objective is to reclassify the account from delinquent to current status and waiver of penalty charges.
- 1.2.4.2. Also indicate in the "Other Findings" portion other negative findings that affect the interest of the company.
  - 1.2.4.2.1. Questionable approval and reason that the customer should have been disapproved.
  - 1.2.4.2.2. In proper usage of the financed unit, a solo model motorcycle with sidecar.
  - 1.2.4.2.3. Customer's violation on the financing contracts.
- 1.3. Stencil the chassis and engine numbers of the financed motorcycle unit which must be checked against the Sales Invoice covering the brand new installment sale upon return to the branch.
  - 1.3.1. Resolve any discrepancy to prevent any irritant with the customer and complication later on.
  - 1.3.2. If the discrepancy is material, refer the matter to CSD/LTO Department for early resolution.
- 1.4. Fill-out UV Form based on the results of observation and interview with the customer.
  - 1.4.1. Answer various questions shown in form which prove the following;
    - 1.4.1.1. The branch has done their part in educating the customer about the terms and conditions of the financing contract.
    - 1.4.1.2. How the customer comes into contact about the company's product, e.g. through sales agent, display center, walk-in or fliers.
- 1.5. Apply the following guidelines in conducting unit verification;
  - 1.5.1. Smile, facial expressions communicate attitude. Smile show a positive attitude. Remember – it takes less effort to smile than it does to frown.
  - 1.5.2. Eye Contact-Looking directly at customers lets them know they are receiving individual attention.

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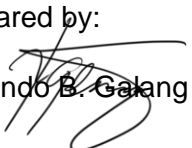
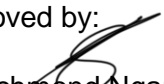
- 1.5.3. Use of customer's name, a person's name is one of their most important possessions and a source of pride; use it when talking to the customer.
  - 1.5.4. Choose of words and dialogue-Natural, positive language makes customers feel comfortable and important.
  - 1.5.5. Body Posture, a straight body, relaxed posture also communicate positive attitude.
  - 1.5.6. Tone of Voice, convey confidence and interest when speaking to customers.
- 1.6. Develop own dialogue to be used during unit verification with the customer using the following sample dialogue;
- FP : Tao po. Magandang umaga po! Ako po si Tyrone ng Daan Hari.
- CUST : Bakit, ano yon?
- FP : Ako po si Tyrone Bacani ng Daan Hari, mangungumusta lang po. (Entering the residence of the customer is very important and the capability or creativity of the field personnel (FP) to persuade the customer to allow him to enter into his/her residence will play a significant role in this part. We reiterate that the FP was there as part of customer service and not to collect.)
- CUST : Aba's tuloy ka!
- FP : Salamat po. (Say thanks a lot, the customer will appreciate this.)
- Once inside the house:
- FP : Kamusta po ba ang performance ng binili nyong motorsiklo sa amin? Meron po ba kayong concern na gustong iparating sa amin?
- CUST : Wala naman akong reklamo sa takbo at performance ng unit na binili ko sa inyo.
- (If the response is yes, listen attentively and do not interrupt while the customer is talking, Interrupting while the customer is talking is an act of discourtesy. Take down note and make sure that nothing is missed. Assure the customer that you will immediately act on his/her concern or complaint. Your commitment must be under promised but over deliver.)
- FP : Pwede ko po bang idobol- check iyong motorsiklo ninyo at matiknan ang kalagayan nito. Mas maganda pong ma-check lagio para sa kabutihan at kaligtasan ninyo.
- CUST : Sige nga, tignan mo nga.

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While checking the unit, conduct unit verification:

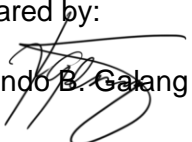

- FP : Siya nga po pala, Mang Tyrone, nasabi po ba ng aming opisina ang due date ninyo? At ang tungkol sa binibigay naming Prompt Payment Discount?
- CUST : Noong kinuha ko ang motoksiklo sa inyo ay sinabi sa akin, ngunit di ko maintindihan dahil nasa motorsiklo ang nasa isip ko. Pasensya na.
- FP : Naiintindihan ko po kayo. Hayaan ninyo at ipaliliwanag ko sa inyo...Ganito po iyon...
- CUST : Mabuti at napasyal ka. Ngayon ay mas naiintindihan ko na. Salamat.
- FP : Eh yung pong free check-up at labor sa change oil po namin?
- CUST : Ayan ang maliwanag sa akin, kaya nga ako kumuha ng motorsiklo sa inyo dahil sa offer nyong yan.
- FP : Salamat naman po at kami ang tinangkilik ninyo. Gayun pa man, hayaan ninyong ipaliwanag kong muli.  
(Proceed to explain, this will ensure the branch that the customer has fully understand the conditions.)
- FP : Mayroon pa po ba kayong gustong maliwanagan?
- CUST : Ano-ano pa ba ang mga dapat kong malaman?
- FP : Kung gusto po ninyo ay ipaliwanag kong muli yung pre-termination namin, penalty charges, Assumption of Mortgage, etc.
- CUST : Sige nga at ipaliwanag mong muli.
- FP : Ang pre-termination po ay...
- CUST : Naku, ang dami ko palang dapat malaman.
- FP : Huwag po kayong mag-aatubiling tawagan nyo ako sa opisina kung mayroon kayong concern na gusting paratingin sa amin.
- CUST : Hayaan mo kung may problema ako ikaw ang hahanapin ko sa opisina ninyo. Tutulungan mo ako ha?
- FP : Sigurado po yon. Kung wala na po kayong katanungan ay magpapaalam na po ako.
- CUST : Wala na sa ngayon. Salamat sa pagdalaw mo.
- FP : O sige po, maraming salamat din po Mang Tyrone. Siyanga nga po pala, paano po bang balak nyong pagbabayad sa amin? Kelan po ba ang bisita ninyo sa opisina?

1.7. Sketch accurately the customer's resident at the back of the UV form.

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- 1.8. Obtain signature of the customer in the space provided in the UV Form.
- 1.9. Sign in the "Submitted by" portion in the UV Form and forward to Branch Manager for evaluation.
2. Branch Manager
  - 3.1. Receive UV Form from the field personnel and discuss any negative findings discovered during the verification.
  - 3.2. Forward UV Form to Marketing Assistant for filing in the Customer Loan Folder.
3. Form Explanation-Unit Verification

Particulars	Explanations
3.1. Name	: Complete name of customer.
3.2. Address	: Complete address of the customer.
3.3. Co-Maker	: Complete name of the co-maker of the customer.
3.4. Address	: Complete address of the co-maker of the customer.
3.5. Date	: Date unit verification was and date the UV Form was filled up by the AC.
3.6. Date of Released	: Release date of the unit.
3.7. Due Date	: Due date of the monthly installment.
3.8. Account Number	: Assigned account number of the customer.
3.9. Does the Customer Have any complaints?	
Check appropriate space provided if yes or no, if yes, detail complaint of the customer in the space provided.	
3.10. How did you know about the product?	
Check appropriate box, how the customer comes into contacts about MMPI motorcycle products.	
3.10.1. Sales Agent	: Customer has known the MMPI products through sales agent. Indicate name of sales agent.
3.10.2. Display Center	: Customer has known the MMPI products through display center.
3.10.3. Walk-In	: Customer is a walk-in buyer.
3.10.4. Fliers	: Customer has known the MMPI products through fliers.
3.10.5. Others	: If customer known the MMPI through other means, specify in the space

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provided, e.g. through streamers, radio ads and through caravan.

3.11. Business Date/Day/Time of Visit : Date and time of unit verification.

3.12. Unit Verification Confirmation

- 3.12.1. Unit/Model : Unit/Model of the motorcycle unit per contract or per Sales Invoice.
- 3.12.2. Engine Number : Engine number of the motorcycle unit per contract or per Sales Invoice.
- 3.12.3. Condition : Condition of the motorcycle unit upon verification.
- 3.12.4. Color : Color of the financed motorcycle unit per contract or per Sales Invoice.
- 3.12.5. Chassis No. : Chassis number of the motorcycle unit per contract or per Sales Invoice.

13. Does the customer know the following?

Various question answerable by yes or no, check appropriate box for each answer. On every negative answer, written explanation shall be made by concerned branch personnel.

14. What is the kilometer/odometer reading of the unit?

Fill out in the space provided the actual kilometers run by the motorcycle unit at time of the verification.

15. When does the customer plan to visit the office to pay?

Specific date committed by the customer to visit and pay to the branch office.

16. Is the credit worthy?

Check appropriate space provided if yes or no, if no, detail reasons why the customer is not credit worthy.

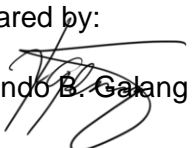
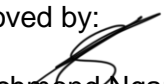
17. What did you observe during the first encounter?

Narrative explanation on what has been observed during the verification or first encounter, e.g. character and way of life of the family; and personal properties owned.

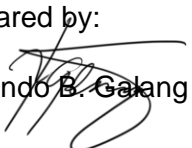
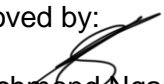
18. Other findings/comments:

Other pertinent findings and comments that will help maintain the customer's account in good status.

Note: Items 16, 17 and 18 must be filled up after the unit verification and the customer has signed the Unit Verification Form.

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19. Submitted by : Signature over printed name of the field personnel who conducted the unit verification.
20. Conforme : Signature of customer or his/her representative.
21. Noted by : Signature over printed name of the BM/OIC who conducted the review of the UV form, and the date it was reviewed.
22. STENCIL : Stencil of engine and chassis numbers obtained during actual verification.
- a. Motor No. : Attached engine number stencil obtained during actual verification.
- b. Chassis No. : Attached chassis number stencil obtained during actual verification.

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# DAAN HARI MOTORS CORPORATION

## UNIT VERIFICATION FORM

Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Co-Maker : \_\_\_\_\_  
Address : \_\_\_\_\_

Month : \_\_\_\_\_  
Date of Released : \_\_\_\_\_  
Due Date : \_\_\_\_\_  
Account No. : \_\_\_\_\_

Does the Customer have any complaints? If yes, specify.

Yes \_\_\_\_\_ No \_\_\_\_\_

### How did you know about the product?

1. Sales Agent (Name) \_\_\_\_\_
2. Display Center (Name) \_\_\_\_\_
3. Walk-In \_\_\_\_\_
4. Fliers \_\_\_\_\_
5. Others \_\_\_\_\_


Business Date/Day/Time of visit

### UNIT VERIFICATION CONFIRMATION

Unit/Model: \_\_\_\_\_  
Engine Number: \_\_\_\_\_

Condition : \_\_\_\_\_  
Color : \_\_\_\_\_  
Chassis No. : \_\_\_\_\_

### I. DOES THE CUSTOMER KNOW THE FOLLOWING

1. Did the branch personnel conduct an orientation/PDI to customer before the release of the unit?
2. Did the customer know his/her due date?
3. Did the customer know his/her monthly amortization \_\_\_\_\_ P \_\_\_\_\_ ?
4. Did the customer know the 5% penalty every month if delayed?
5. Did the customer know the PPD when paying to branch and when maintaining updated account?
6. Did the customer know his/her promissory note?
7. Did the customer know his/her loan term \_\_\_\_\_ ?
8. Did the customer know his/her benefits and the warranty scope and limitation?
9. Did the customer know that the unit cannot be transferred to any other places aside from the
10. Did the customer know that we can refuse acceptance of voluntary surrendered unit?
11. Did the customer understand about his/her obligation? If no, explain to the customer.
12. Did the customer know that in case of loss through carnap or total wreck of unit due to accident
13. Did the customer know the maintenance schedule of the unit?
- II. What is the kilometer/odometer reading of the unit? \_\_\_\_\_ Kms.
- III. When does the customer plan to visit the office to pay? \_\_\_\_\_
- IV. Is the credit worthy? Yes \_\_\_\_\_ No \_\_\_\_\_ If no, why? \_\_\_\_\_

Yes	No

V. What did you observe during the first encounter?

VI. Other findings/comments:

Submitted by:

Conforme:

Signature over printed name/Date

Signature over printed name/date

Noted by:

BM/OIC Signature/Date

Note: Make an accurate residence sketch at the back.

MOTOR NO. STENCIL HERE

CHASSIS NO. STENCIL HERE

Prepared by:

Rolando B. Galang

Approved by:

Richmond Ngan  
Executive Officer

Effective

December 01, 2015

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