

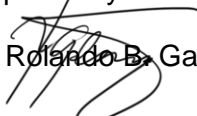

MITSUKOSHI MOTORS PHILIPPINES, INC.		
POLICY AND PROCEDURE		
ITEM TITLE :	ZONING	Ref. No.
DEPARTMENT :	OPERATIONS SUPPORT DEPARTMENT	OPS-16-04-1601
TO :	ALL BRANCHES/ AREA MANAGER/ REGIONAL MANAGER	

OBJECTIVE

1. To organize and define sales and credit territorial (SCT) boundaries of the branch by geographical area.
2. To economize and increase efficiency of the branch by reducing travel time and maximize man hours by having balance territories and reasonable representation of existing customers and prospects.
3. To avoid or totally eliminate chaos on overlapping areas by branches within a specific area.
4. To ensure effectiveness and efficiency of movement of the branch personnel in handling their retail transactions.

POLICIES

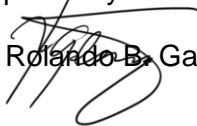
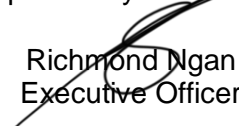
1. A Free Zone is areas wherein two (2) or more branches can operate which should be approved by the Regional Manager (RM) or Operations Manager (OM).
2. Unauthorized accommodation and releasing motorcycle beyond approved sales and credit territories is strictly prohibited that will be dealt with in accordance with the Company Code of Discipline.
3. The place of abode and/or place of employment of the customer will be considered in determining what branch is responsible for the sale and collection of the accommodated account.
 - 3.1. The place of employment will be considered in retaining the financed receivable provided that the customer's assignment is permanent in nature.
 - 3.2. For ambulant vendors, the branch covering the place of abode of the customer will have the responsibility on the financed receivable.
 - 3.3. The sale will be credited to the branch where the prospective customer inquired and has filled out Credit Application Form (CAF).
4. The criteria in establishing sales and credit territories are the following:
 - 4.1. Road condition; the branch must consider the road condition of the area if this will hamper traveling by motorcycle.
 - 4.2. Proximity with other municipalities and cities; it must be within fifty (50) kilometers radius from the branch. It may be extended provided that the farthest point should not be more than two (2) hours travel by motorcycle from the branch.
 - 4.2.1. Our direction is to connect all our branches to serve and cover all the strategic location in the country to be more competitive and to have our leverage and niche in the market.

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- 4.2.1. If practicable, the border of two (2) branches will be their center point; which can be determined by dividing the distance between the two branches.
- 4.3. Peace and Order, the SCT may be shorten if the peace and order situation makes it dangerous for the field personnel to perform his duties.
- 4.4. Accessible to public transport; the SCT must be accessible by public transport so that if to be followed-up by commuting, returning to the branch office within the same day is possible.
5. Prospective customers living in blacklisted areas although within the branch SCT aren't eligible for motorcycle loan accommodation.
6. It is the responsibility of the originating branch to handle the registration of the released financed motorcycle unit.

PROCEDURES

1. Establishing Sales and Credit Territories
 - 1.1. Branch Manager (BM)
 - 1.1.1. Survey the area to be covered by the branch and to identify their sales and credit territories (SCT).
 - 1.1.2. Coordinate with adjacent branches to determine their boundaries.
 - 1.1.3. Obtain the concurrence of the branch managers handling the adjacent branches to properly define the boundaries of each branch.
 - 1.1.3.1. The branch managers should resolve and agree on their free zone to prevent confusion on handling prospective customers residing at the edge of their SCT.
 - 1.1.4. List down the cities, municipalities, towns, barangays and sitios to be covered by the branch including list of blacklisted areas for submission to the Area Manager for approval.
 - 1.1.4.1. For new branch, economic profile must be maintained for reference purposes (OPS-15-12-002).
 - 1.1.5. Forward list of cities, municipalities, towns, barangays and sitios to be covered by the branch and the list of blacklisted areas to the AM for approval.
 - 1.2. Area Manager (AM)
 - 1.2.1. Receive list of cities, municipalities, towns, barangays and sitios to be covered by a branch and list of blacklisted areas from the BM.
 - 1.2.2. Check the lists and if everything is in order endorse to Regional Manager for approval.
 - 1.3. Regional Manager
 - 1.3.1. Receive the endorse lists from AM and review data and information therein.
 - 1.3.2. If everything is in order, approve SCT and blacklisted areas submitted by the branch.

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- 1.3.3. Whether approved or disapproved, inform BM and AM on the decision and if revision is needed, advise the concerned officers of the essential adjustment to warrant approval of the lists.

2. Accommodating Accounts Outside Sales and Credit Territories

2.1. Marketing Assistant (Originating Branch)

- 2.1.1. Receive the duly filled up CAF of the prospective customer residing and/or working outside their SCT.
- 2.1.2. Scan the filled up CAF and forward to the branch where the prospective customer reside or working.
- 2.1.3. Record the CAF to in the Customer's Inquiry and Application Control Logbook (OPS-15-11-007) indicating in the "Remarks" portion where the application was endorsed.
- 2.1.4. If no result beyond 4 hours from the time of coordination and receipt, follow-up immediately from receiving branch and report to branch manager.

2.2. Marketing Assistant (Receiving Branch)

- 2.2.1. Receive the scanned copy of CAF from MA, originating branch, and record to Customer's Inquiry and Application Control Logbook (OPS-15-11-007) indicating in the "Remarks" the original branch where the application was received.
- 2.2.2. Forward to the concerned field personnel handling the area where the prospective customer lives or working.

2.3. Field Personnel (Account Counselor/Credit Supervisor)

- 2.3.1. Conduct credit investigation in accordance with the Company standard operating procedures and policies (OPS-15-11-032).
- 2.3.2. Forward Credit Investigation Report (CIR) recommendation to BM, receiving branch for decision, whether approve or disapprove.

2.4. Branch Manager (Receiving Branch)

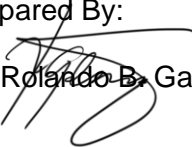

- 2.4.1. Receive CIR from field personnel and review data and information indicated therein to arrive at a sound decision.
- 2.4.2. Render decision on the CIR with dispatch based on the Company's standard operating procedures and policies (OPS-15-11-012).
- 2.4.3. Affix signature in the appropriate space provided in the CIR and forward signed CIR to MA, receiving branch, for recording and communication of credit decision to the originating branch.

2.5. Marketing Assistant (Receiving Branch)

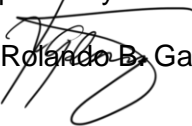
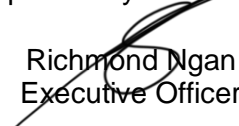
- 2.5.1. Receive decided CIR from BM, receiving branch, and record to Customer's Inquiry and Application Control Register.
- 2.5.2. Scan CIR and forward to MA originating branch.

2.6. Marketing Assistant (Originating Branch)

- 2.6.1. Receive decided CIR from receiving branch and record decision in the Inquiry and Application Control Register.

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- 2.6.2. Whether approved or disapproved, inform applicant regarding branch decision on their application.
- 2.6.2.1. If approved, request the applicant to visit the branch to pay the necessary down payment or initial cash outlay for assumed account.
- 2.6.2.2. If disapproved, files CAF and CIR in a permanent file.
- 2.6.3. Instruct customer to pay the down payment or initial cash outlay to the Cashier upon visit to the branch.
- 2.6.4. Release the financed motorcycle unit based on Company's standard operating procedures and policies (OPS-15-10-003).
- 2.6.5. Secure Photocopy of Loan Documents/Loan Folder for reference purposes.
- 2.7. Cashier (Originating Branch)
- 2.7.1. Receive financial contracts and precautionary papers from MA, originating branch, and prepare Turn-Over of Account Slip (TOS) in triplicate.
- Original : Accounting Copy
Duplicate : Receiving Branch
Triplicate : File, Originating Branch
- 2.7.2. Post sale transaction in the Branch Monitoring System (BMS).
- 2.7.2.1. The originating branch will be credited for sale of the motorcycle unit, whether brand new or repossessed unit.
- 2.8. Cashier (Receiving Branch)
- 2.8.1. Receive TOS with the financial contracts and precautionary papers from originating branch.
- 2.8.2. File financial contracts and precautionary papers to a new Customer's Loan Folder.
- 2.8.3. Prepare Customer's Field Card (CFC) and forward to BM, receiving branch together with TOS.
- 2.9. Branch Manager (Receiving Branch)
- 2.9.1. Receive CFC together with TOS.
- 2.9.2. Check TOS and if everything is in order, affix signature in the "Received by" for return to originating branch.
- 2.9.3. Discuss the transfer account to the field personnel handling the area where the customer lives or working and give the CFC for monitoring and recording of results of field visit to the customer.
- 2.9.4. Instruct the field personnel to conduct Unit Verification (UV) Company's standard operating procedures and policies (OPS-15-12-013).

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