

MITSUKOSHI MOTORS PHILIPPINES, INC.		
POLICY AND PROCEDURE		
POLICY TITLE :	LOAN FOLDER'S REQUIREMENTS	Ref. No.
DEPARTMENT :	OPERATIONS SUPPORT DEPARTMENT	OPS 15-12-035
TO :	AREA MANAGER, BRANCH MANAGER, MARKETING ASSISTANT	December 1, 2015

OBJECTIVE

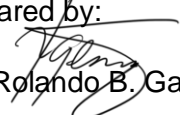
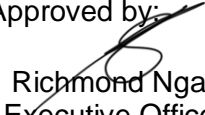
1. To ensure the completeness of the financing document requirements and to make certain they are genuine, reliable, authentic and bona fide.
2. To ensure that the financing document requirements are submitted within the required time.
3. To ensure that only quality customers are accommodated with the financing services offered by the company.

POLICIES

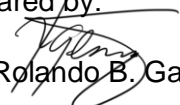
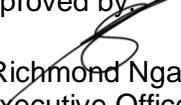
1. Released motorcycle unit whether brand new or repossessed, cash or installment sales shall have an individual loan folder.
 - 1.1. The branch copy of all financing contracts and other supporting and pertinent documents should be file in a Customer's Folder.
 - 1.2. The Customer's Folder must be arranged by account number for easy location.
 - 1.3. The Customer's Folder shall be kept in a locked steel filing cabinet under the responsibility of the branch cashier.
2. The branch must ensure the completeness of all customers' requirements within 20 days after the sale or delivery of motorcycle unit to the customer.
3. Borrowing customers records shall be subject to approval of authorized officers and shall be properly recorded in a control logbook to establish accountability over the customer's file at any given time.
4. No financed motorcycle unit shall be released to the customer without the following primary requirements:
 - 4.1. Customer's valid ID;
 - 4.2. Proof of Income; and
 - 4.3. Proof of Billing

PROCEDURES

1. Marketing Assistant
 - 1.1. Upon release of the motorcycle unit to the customer, collate all the financing contracts and precautionary documents signed and submitted by the customer.
 - 1.2. Make Customer's Loan Folder, the standard size is one half (1/) of long folder;
 - 1.2.1. Indicate the following heading in the Customer's Loan Folder using black permanent marker;
 - 1.2.1.1. Account Number

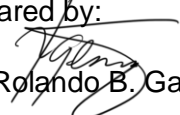

Prepared by:  Rolando B. Galang	Approved by:  Richmond Ngan Executive Officer	Effective December 01, 2015	Page 1 of 4
--	---	------------------------------------	-------------

- 1.2.1.2. Customer's complete name, Last Name, First Name, Middle Initial
- 1.2.1.3. Type of Sale, Cash, Option to Cash or Installment
- 1.2.1.4. Date Release
- 1.2.2. Ensure completeness of the folder having the following contracts and documents with the following sequence;
 - 1.2.2.1. Delivery Receipt
 - 1.2.2.2. Sale Invoice, if brand new
 - 1.2.2.3. 2 customer's pictures (2x2)
 - 1.2.2.4. 2 co-maker's pictures (2x2)
 - 1.2.2.5. Credit Application Form
 - 1.2.2.6. Credit Investigation Report
 - 1.2.2.7. Unit Verification
 - 1.2.2.8. Supporting documents
 - 1.2.2.8.1. Community Tax Certificate
 - 1.2.3.8.2. Valid IDs, Government issued ID with Picture, SSS and GSIS ID, Driver's License, Voter's ID, NBI Clearance, Passport, etc.
 - 1.2.3.8.2.1. Customer
 - 1.2.3.8.2.2. Co-Maker
 - 1.2.3.8.3. Proof of Income
 - 1.2.3.8.4. Proof of Billing
 - 1.2.3.8.5. Barangay Clearance
 - 1.2.2.9. Individual Information Sheet
 - 1.2.2.10. Pre-Delivery Inspection
 - 1.2.2.11. Warranty Explanation
 - 1.2.2.12. Terms and Condition (Tagalog)
 - 1.2.2.13. Co-Maker Statement
 - 1.2.1.13.1. This will only be accomplished if the prospective customer failed to pass the capacity standard.
 - 1.2.2.14. Dacion En Pago (Payment in Kind)
 - 1.2.2.15. Voluntary Surrender of Unit
 - 1.2.2.16. Disclosure Statement
 - 1.2.2.17. Deed of Absolute Sale
 - 1.2.2.18. Chattel Mortgage & Promissory Note
 - 1.2.2.18.1. Affidavit of Good Faith
 - 1.2.2.18.2. Certification of Oath and Acknowledgement
 - 1.2.2.18.3. Promissory Note
 - 1.2.2.19. Duplicate key
 - 1.2.2.19.1. The keeping of duplicate key of the financed motorcycle unit is important when the account becomes delinquent and we have to repossess the unit.

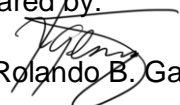
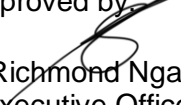
Prepared by:  Rolando B. Galang	Approved by:  Richmond Ngan Executive Officer	Effective December 01, 2015	Page 2 of 4
--	---	------------------------------------	-------------

- 1.3. File the loan folder by account number and in a safe place to protect the company's equity over the financed unit, preferably on a steel filing cabinet to ensure their safety.
- 1.4. At the end of the month, prepare list of releases detailing the required supporting documents using standard template.
2. Branch Manager
 - 2.1. Check completeness of the supporting papers of the Customer's Loan Folder on a regular basis based on the list provided by the Marketing Assistant.
 - 2.2. Check whether all pertinent documents in the Sales Kit and loan folder are properly signed by the customer.
 - 2.3. Ensure that major requirements have been submitted by the customer prior to the release of the financed unit:
 - 2.3.1. CAF with sketch
 - 2.3.2. Stand alone ID or Government issued ID with Picture, SSS and GSIS ID, Driver's License, Voter's ID, Postal ID, NBI Clearance and Passport.
 - 2.3.2.1. Barangay Certificate can be accepted as ID (for farmers) nevertheless, an acceptable ID will still have to be submitted within the 20 days period after release.
 - 2.3.3. Co-Maker's Report
 - 2.4. Check whether other requirements have been by the customer within 20 days from release of the unit.
 - 2.4.1. CIR with adjusted Sketch – must be done within two days after the release of the unit.
 - 2.4.2. Latest 2x2 Colored Pictures (2X)
 - 2.4.3. Proof of Income (POI)
 - 2.4.3.1. This requirement is supposed to be under the "major" requirement. Due to time constraint and competition, it can be deferred to later date.

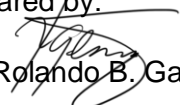

Prior to the release of the financed unit, the customer's capacity to pay should be well established during the credit investigation process. The information taken out of the aforementioned process must be sorted and summarized in the space provided for in narrative explanation and pro-forma table for computation of adjudication in the Credit Investigation Report (CIR).
 - 2.4.3.2. If employed, any of the following;
 - 2.4.3.2.1. One month latest pay slip
 - 2.4.3.2.2. Certificate of Employment and Compensation
 - 2.4.3.2.3. Latest W-2 (Withholding tax)
 - 2.4.3.3. If with Business, any of the following;
 - 2.4.3.3.1. Business Permit
 - 2.4.3.3.2. DTI Business Name

Prepared by:  Rolando B. Galang	Approved by:  Richmond Ngan Executive Officer	Effective December 01, 2015	Page 3 of 4
--	---	------------------------------------	-------------

- 2.4.3.3.3. Latest ITR
- 2.4.3.3.4. Latest Financial Statement
- 2.4.3.4. Seasonal income (Farmers, Fishermen, Poultry etc.), – any of the following;
 - 2.4.3.5.1. Latest Declaration of Property
 - 2.4.3.5.2. Transfer Certificate of Title (TCT)
 - 2.4.3.5.3. Barangay Certification
 - 2.4.3.5.4. Lease contract
 - 2.4.3.5.5. Marina Clearance
- 2.4.3.5. Remittance, any of the following;
 - 2.4.3.5.1. Remittance slips (two consecutive months)
 - 2.4.3.5.2. Proof of Allotment
 - 2.4.3.5.3. Passbook Account
- 2.4.3.6. Proof of other income;
 - 2.4.3.6.1. Ambulant Vendors / Sari-Sari Store, any of the following;
 - 2.4.3.6.1.1. Barangay / Municipal Business Permit;
 - 2.4.3.6.2. Drivers / Operators, any of the following;
 - 2.4.3.6.2.1. TODA Membership / TODA ID
 - 2.4.3.6.2.2. Franchise
 - 2.4.3.6.2.3. Home Owners / Brgy. Certification
 - 2.4.3.6.3. Pensioner, any of the following;
 - 2.4.3.6.3.1. Passbook / Bank Account
 - 2.4.3.6.3.2. SSS Certification
- 2.4.4. Proof of Billing (POB)
 - 2.4.4.1. Meralco or Electric bills
 - 2.4.4.2. Water bills
 - 2.4.4.3. Landline and Cellular Phone bills
 - 2.4.4.4. Cable bills
- 2.4.5. Barangay Clearance
- 2.4.6. Co-Maker Requirements (ID, Picture, Proof of Income)
- 2.4.6. Unit Verification (UV)
- 2.5. Obtain explanation from the Marketing Assistant for any deficiency discovered during the review.
- 2.6. If necessary, make personal visit to the customer for the submission of all the pending requirements the latter failed to submit.
- 3. Area Manager
 - 3.1. During regular visit to the branch, check completeness of all the requirements on all releases.
 - 3.2. Obtain explanation from Branch Manager and Marketing Assistant for any deficiency discovered during the review.
 - 3.3. Get commitment from the Branch Manager for the completion of all the lacking documents during visit.

Prepared by:  Rolando B. Galang	Approved by:  Richmond Ngan Executive Officer	Effective December 01, 2015	Page 4 of 4
--	---	------------------------------------	-------------

- 3.4. Conduct follow-through by checking the compliance of the branch Manager on his commitment.

Prepared by:  Rolando B. Galang	Approved by:  Richmond Ngan Executive Officer	Effective December 01, 2015	Page 5 of 4
--	---	------------------------------------	-------------