

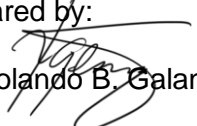
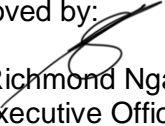
MITSUKOSHI MOTORS PHILIPPINES, INC.		
POLICY AND PROCEDURE		
POLICY TITLE :	CREDIT APPLICATION DECISION	Ref. No.
DEPARTMENT :	OPERATIONS SUPPORT DEPARTMENT	OPS 15-11-012
TO :	ACCOUNT COUNSELOR / CREDIT SUSUPERVISOR / BRANCH MANAGER	November 04, 2015

## OBJECTIVE

1. To guide the Branch Manager on arriving at sound decision on the credit application.
2. To ensure that only quality customers are accommodated in installment sales.
3. To guide field personnel, Account Counselor and Credit Supervisor, in endorsing Credit Investigation Report for decision, approved or disapproved.

## POLICY

1. All credit application must pass through pre-qualifying stage prior to credit investigation process of the field personnel.
2. No "Pre-Approval" of credit application prior to credit investigation, however, outright disapproval is allowed if on the initial screening the branch had established that the applicant has not pass the credit standard of the company.
3. To avoid bias or subjective recommendation or decision, application of relatives of branch personnel shall be disclosed by concerned employee or officer, otherwise, this will be charged to them in case the receivable turn sour or bad. The following guidelines should be followed;
  - 3.1. Other branch employee- subject to regular credit investigation process of the field personnel and decision of the Branch Manager (BM).
  - 3.2. Relative of field personnel- the BM shall conduct the credit investigation and make the decision to accommodate the installment sale or not.
  - 3.3. Relative of BM- the Area Manager (AM) or Regional Manager (RM) shall make the decision to approve or disapprove the application.
  - 3.4. Area Manager and Regional Manager- for approval of the Executive Officer or HR Department head.
4. The BM has the authority to approve or disapprove a CIR; the field officer is recommendatory in nature. However, in overruling a recommended disapproval, the BM must justify his/her decision to over right the recommendation of the field personnel.
  - 4.1. The overruled recommendation of the field personnel shall not be altered or erased in the CIR so as not to break the flow of credit procedure and establish the responsibility over the said transaction.

Prepared by:  Rolando B. Galang	Approved by:  Richmond Ngan Executive Officer	Effective November 04, 2015	Page 1 of 3
--	---	--------------------------------	-------------

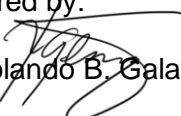

## PROCEDURES

### 1. Field Personnel

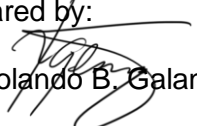
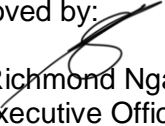
- 1.1. Sort out all data and information gathered during credit investigation process and fill-out Credit Investigation Report (CIR).
- 1.2. Give recommendation, approved or disapproved, in the "Recommendation" portion and affix signature over printed name in the space provided in the CIR.

### 2. Branch Manager

- 2.1. Receive CIR from field personnel and review data and information indicated therein to arrive at a sound decision.
  - 2.1.1. If there is a conflict between the recommendation of the field personnel and the BM's decision; and the recommendation of the field personnel will be overruled, no alteration or erasure in the CIR can be made so as not to break the flow of credit procedure and establish the responsibility over the said transaction.
- 2.2. Check completeness of the CIR and all required information were properly filled-out.
  - 2.2.1. Clarify all illegible and questionable entries in the CIR.
- 2.3. Ensure the following;
  - 2.3.1. All information are above board;
  - 2.3.2. Data gathering are thorough and methodical;
  - 2.3.3. Supporting documents are genuine and authentic;
  - 2.3.4. Mathematical accuracy involving figures have been established;
  - 2.3.5. No misrepresentation has been made.
- 2.4. Check and validate the require and vital information in the CIR;
  - 2.4.1. Motorcycle or Scooter Information;
  - 2.4.2. Applicant's Information;
  - 2.4.3. Spouse Information;
  - 2.4.4. Employment Information;
  - 2.4.5. Description of Residence and Properties Owned;
  - 2.4.6. Results of verification of identification card presented by the applicant;
  - 2.4.7. Results of confirmation of residence, length of stay and if owned or renting; reputation of the applicant and results of confirmation of applicant's source of income;

Prepared by:  Rolando B. Galang	Approved by:  Richmond Ngan Executive Officer	Effective November 04, 2015	Page 2 of 3
--	---	--------------------------------	-------------

- 2.4.8. Results of observation and situational analysis; and
  - 2.4.8.1. Disposable and excess income computation;
  - 2.4.8.2. Observation on place of business;
    - 2.4.8.2.1. Worth of stock;
    - 2.4.8.2.2. What have been observed?
    - 2.4.8.2.3. What have been noticed?
- 2.4.9. Remarks showing the following;
  - 2.4.9.1. Place where credit investigation was made;
    - 2.4.9.1.1. Location of the residence of the applicant;
    - 2.4.9.1.2. Location of the business of the applicant;
    - 2.4.9.1.3. Location of the employer or office of the applicant;
    - 2.4.9.1.4. Other location not specified above.
- 2.5. Affix signature in the appropriate space provided in the CIR and forward signed CIR with supporting documents to Marketing Assistant for recording and communication of credit decision to the applicant.
- 3. Marketing Assistant
  - 3.1. Receive CIR from BM and record decision in the Inquiry and CAF Control Register.
    - 3.1.1. Records date of decision in the appropriate column provided in the Inquiry and CAF Control Register.
  - 3.2. Inform applicant regarding branch decision on his/her application.
    - 3.2.1. If approved, request the applicant to visit the branch and pay the necessary down payment or initial cash outlay.
      - 3.2.1.1. In case there is no available motorcycle model that will be purchased on installment by the applicant in the branch; secure from main warehouse or other branches before communicating with the applicant.
    - 3.2.2. If disapproved, files CAF and CIR in a perman-ent file.

Prepared by:  Rolando B. Galang	Approved by:  Richmond Ngan Executive Officer	Effective  November 04, 2015	Page 3 of 3
--	---	------------------------------------	-------------