

S 120 - BACKCHARGES

When the Company is notified of or becomes aware of a potential Back-Charge:

The Back-Charge Information and Approval Form shall be completed by the employee who is made aware of the potential Back-Charge.

The Form shall be completed with as much information as is available.

- Date of incident
- Cause of incident
- Damage Resulting from the incident
- Pictures if any
- Any other pertinent information

Note: If the company Service Tech is the first aware of the incident then it is his responsibility to obtain the above information.

The Original shall be filed in the Lot/Project file and a copy sent to the following Employees

- Account Manager
- Production Manager
- Controller

The Production Manager shall be responsible for evaluating the Back-Charge and determining who is responsible i.e. employee, sub-contractor, material failure or others. The appropriate action to be taken to mitigate the costs i.e. negotiate the costs with the client; along what other action is required to eliminate the issue in the future.

The following description further explains the information required which may not be self-explanatory:

Production Managers Explanation and Approval:

- Explain why the problem occurred, such as a solder joint failed, pack joint failed, bad crimp ring, improperly made fitting, fixture not set properly, etc.
- Who was involved and action taken. Give the names of any Company employees who were involved, that is, who were working at the house where the damages happened. This may later help us identify employees that may need additional training.

- What steps we will take to ensure that this same type of occurrence doesn't happen again and, if a specific employee was involved, what we have done to instruct him/her on the proper way of operation.
- Amount you have agreed upon with the builder.
- Indicate how the payment is to be made. If the builder is going to deduct the backcharge from our payment, check the appropriate space. If we are going to send a check to the builder, indicate this, or if other than to the builder, the name would be written here.

APPROVALS:

All approval spaces must be initialed and dated by stated person.

ALL BACKCHARGES SHALL BE HANDLED IN AN EXPEDITIOUS AND PROFESSIONAL MANNER. IT IS EXPECTED THAT IT WILL BE NO MORE THAN ONE WEEK FROM THE DATE OF WHEN WE ARE NOTIFIED OF THE BACKCHARGE.

