

## DAMAGE RECHARGE POLICY

### Introduction

L Lynch Plant Hire & Haulage Limited recognises the importance of operating an effective maintenance and repair capability, both in our depots and on site supporting our clients. We remain committed to ensuring our plant equipment remains in excellent condition. This requires our Service departments to carry out repairs resulting from fair wear and tear. However, there are circumstances that result from client damage, neglect, or carelessness and in these circumstances, we expect clients to cover these costs including overheads. We also expect that common sense should prevail with the guidance below.

### Things to Consider

- Hire duration of the damaged machine and any other items of plant the customer has on hire inc. current and future revenue.
- Is it self-drive or operated? If operated, then site conditions and site supervision must be questioned with the customer and the operator. Before and after photos of the damage and photos of the site conditions should be taken to be used as back up documents for query resolution.

### Recharging

Charging for repairs caused by client damage, neglect or carelessness allows more money to be invested in maintaining and improving our machines. It also helps to pay for the overheads associated with machine repair. It is a vital component to protecting our net margin, but care should be taken about using damage recharges as a revenue stream.

### Strategic Aims and Objectives

Through client relationships and the conditions of hire contained in the CPA, L Lynch aims to encourage clients to take responsibility for keeping our machines in a good working condition. Our objective is to ensure that our service budget is spent wherever possible on repairs caused by genuine wear and tear, and not used to pay for breakdowns and minor damages.

### Scope

This policy applies to all depots and their management staff. Adherence to it will be monitored through monthly budget reviews.

### Definitions

- A rechargeable repair means any repair caused by client damage, neglect, or carelessness. This includes deliberate or accidental damage and lost keys/fobs.
- Fair wear and tear mean damage caused by everyday use. This requires experience and judgment supported by PDI photographs. Technical information to be provided by the Depot Service Manager to determine if fair Wear & Tear or site damage.

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### Responsibilities

Depot Managers are responsible for:

1. Determining whether rechargeable repair costs stand at the invoiced rate.
2. Determining whether rechargeable repair costs should be discounted at the agreed national rate.
3. Determining whether rechargeable repair costs should be discounted at an authorised rate that exceeds the agreed national rate.
4. Determining whether rechargeable repair costs should be waived.

### National Discounted Recharge Rates

The table below offers guidance on any waiver that may be applied to any recharge. It should be noted that **only one waiver per contract may be applied**. Often a charge is completely voided not discounted, e.g., if QRC is not working on delivery.

First 5 days hire – waiver of £150 (only if worn breaker point, broken hose that could have been caused in transit or delivered in that standard or some other controversial charge).

Over no. of months on hire	Approved waiver amount '£'	OR	Value of spend per month '£'	Approved waiver amount '£'
3	150.00		50,000.00	500.00
12	500.00			

1. Central Recharge Team staff will need to refer to a Depot Manager for advice if the customer challenges the recharge.
2. If the damage caused at the customer’s site is £2,000 or more, then a meeting between the customer and a Depot Manager or Service Manager must take place to discuss and negotiate the amount that will be recharged.
3. If you waive any charges, inform the customer by email.
4. Customer emails must be saved in the documents tab of the contract in Syrinx – to include all associated costs, Fitters reports, photos etc.

### Process

See SP18 National Recharge Process for further detail.

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## DAMAGE RECHARGE POLICY

This policy will be communicated to all employees and organisations working on our behalf, displayed at our offices and on our intranet and is available to defined interested parties.

This policy will be reviewed annually or sooner by senior management to ensure its suitability. Where necessary it will be amended, reissued, and communicated to all employees and people working on its behalf.



Rob Lynch  
Joint Managing Director

Date: 15/10/2025

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