

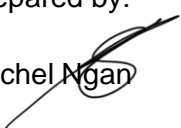

MITSUKOSHI MOTORS PHILIPPINES, INC.		
POLICY AND PROCEDURE		
POLICY TITLE :	ACCOUNTABILITY FOR ALL SPARE PARTS PRODUCT	Ref. No.
DEPARTMENT :	SPARE PARTS DEPARTMENT	SPD-16-04-1601
TO :	BRANCH MANAGER, MECHANIC, CASHIER	

OBJECTIVES

1. To ensure that any products sent to the store are maintained in good condition. This means that any of products or tools entrusted to the branch must not be damaged and be cleaned properly for the upkeep.
2. To establish accountability of the branch manager and the mechanic on the delivered items by the Spare Parts Department.
3. To minimize or totally eliminate discrepancy between branch and Spare Parts Department.

POLICY

1. The branch personnel must inspect all items delivered are in good working condition. They are responsible for the safe keeping of the parts, motor oil and tools entrusted to them.
2. The branch manager (or the next person in charge) and the mechanic will be sharing the cost between them if there is found to be missing parts or motor oil in their inventory. The exception to this is if the branch manager or mechanic just started their employment and there are already some discrepancies found. The charges will fall into the former branch manager and mechanic. Charges apply with discrepancies that occurred within their employment term with MMPI.
3. The cashier is responsible for producing the actual count report of inventory on a monthly basis.
4. It is also the responsibility of the mechanic and the branch manager to verify if indeed the inventory provided is accurate.
5. During the case of an employee turnover, it is standard practice to provide an actual count of inventory upon their last day that is verified by the replacement or auditor. The actual count needs to be verified by the following as an example but not limited to; Branch manager, mechanic or any upcoming branch manager and Area manager.

Prepared by:  Rachel Ngan	Approved by:  Richmond Ngan Executive Officer	Effective April 16,2016	Page 1 of 2
--	---	--------------------------------	-------------

PROCEDURE

1. Mechanic

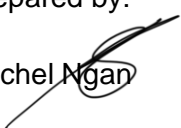

- 1.1. Inventory: Mechanic should keep a log book regarding the inventory coming IN and coming OUT.
 - 1.1.1 Record spare part(s) received in the branch.
- 1.2. Maintenance of tools and parts:
 - 1.2.1. Avoid any damages, dents, scratches and broken parts. Ensure that the parts are keeping clean.
 - 1.2.2. Avoid losses by storing the parts and tools in the proper place.
 - 1.2.2.1. Please see **SPD- 16-04-1602 Spare Parts Inventory and Collection** for reference.
- 1.3. Indicate name, date and affix signature in the “monthly inventory report” with the Branch manager.

2. Cashier

- 2.1. Prepare the actual count of the monthly inventory report and have the Branch Manager and the mechanic verify the actual count.
- 2.2. Submit inventory report to designated Spare parts personnel.

3. Branch Manager

- 3.1. House keeping of parts: He/ she is to inspect that the items are complete and without damage. He/ She must ensure that the parts kept tidy and in an orderly manner.
- 3.2. All HTR must be signed and verified by the branch manager. If in case that the branch manager is not present during the time of receiving, they can sign the duplicate HTR upon arrival or the following day.
- 3.3. If the items are missing upon audit, he will need to sign an authority to deduct form that will be provided by the Spare Parts Department. The losses will be deducted from his salary based on SRP price.
- 3.4. The branch manager will also need to provide a written explanation on how or why the item/s are lost.

Prepared by:  Rachel Ngan	Approved by:  Richmond Ngan Executive Officer	Effective April 16,2016	Page 2 of 2
--	---	--------------------------------	-------------