

## Fair Wear and Tear Policy

### Introduction:

This Fair Wear and Tear Policy for pallets outlines the acceptable conditions for the return of pallets provided by LODI to its customers. The purpose of this policy is to establish clear guidelines regarding the reasonable wear and tear that can be expected during normal usage.

### Acceptable Wear and Tear:

LODI acknowledges that pallets will experience normal wear and tear during regular use. Acceptable wear and tear may include but is not limited to minor scuffs, scratches, and superficial marks that do not affect the structural integrity or safe functionality of a pallet.

Acceptable wear and tear may also include damage caused due to normal use to any replaceable pallet fittings, such as Tyne-Sure, Keg-Safe rubber grommets and/or steel reinforcement channel caps.

### Unacceptable Damage:

Customers are responsible for preventing avoidable damage to the plastic pallets beyond the scope of acceptable wear and tear. Unacceptable damage includes, but is not limited to:

- Cracks or fractures compromising structural integrity
- Melting, warping, or deformation due to exposure to excessive heat
- Significant cuts, punctures, or gouges
- Any damage that impairs the load-bearing capacity of the pallet
- Any permanent contamination or staining of pallets
- Removal, tamper or damage to embedded technology
- Any unauthorised modifications or alterations
- Any damage or issue caused by improper use of pallets – such as operational safe load ratings, safe operational temperature range or event-based issues such as damage caused by significant impact or any other improper use as is reasonably determined by LODI

### Cleaning and Maintenance:

Customers are expected to maintain all pallets in a clean condition. Routine cleaning, such as removing labels, debris and contaminants, is the responsibility of the customer. Failure to keep the pallets clean may result in additional charges.



**Notification of Damage:**

Customers are required to promptly report any damages or issues with the pallets to LODI. Timely reporting allows for proper assessment and resolution.

**Assessment and Charges:**

LODI reserves the right to assess the condition of returned pallets upon receipt. If the damage is determined by LODI to exceed the threshold of acceptable wear and tear, the customer may be liable to pay repair or replacement fees. These charges will be determined based on the extent of the damage and the impact on the pallet's usability with reference to the damaged write-off fee schedule.

**Replacements:**

In cases where pallets are deemed beyond repair due to damage beyond acceptable wear and tear, the customer may be required to cover the cost of replacement pallets with reference to the damaged write-off schedule.

**Regular Inspections:**

LODI may conduct regular inspections of the pallets during the rental period to identify and address potential issues before they escalate. This is intended to ensure the longevity of the pallets and prevent unnecessary charges.

**Conclusion:**

By utilising the pallets provided by LODI, customers agree to adhere to this Fair Wear and Tear Policy. This policy helps maintain a fair and transparent relationship between the Company and its customers while ensuring the continued functionality of the plastic pallets.

This policy is subject to periodic review and updates by LODI.

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