Policy Name: Out of Service Container Policy

Policy Applies to: Corporate Operations, Franchise Operations, Logistics, Parts & Service

Prepared by	**Effective Date**
One Network Asset Management Task Force	4/1/2020

OVERVIEW:

Accurate and reliable Out-Of-Service (OOS) container details, for both Local and Inter-Franchise (IF) containers is vital for the overall success of PODS at both the market and enterprise level. PODS Leadership, management and Franchise owners rely on the accuracy of the OOS container detail to effectively manage container availability, container shipments, demand-level pricing, repair budgets and overall market conditioning assessments. The objective is to ensure that the system is sufficiently updated to reflect the correct container status as being 1) In-Service or 2) OOS.

PHYSICAL CLASSIFICATION:

An OOS container should be defined as any container that does NOT satisfy PODS container brand standards. The degree of damage that constitutes OOS status can vary – from a broken latch or missing sign, to a cracked roof or twisted frame. However, as a rule of thumb, any container that is NOT deemed suitable for delivery should be marked OOS. For additional reference, brand standards can be accessed at the following link:

(https://wearepodsintranet.pods.com/wp-content/uploads/2023/08/PODS-Container-Brand-Standards__Final_8.11.202361.pdf)

Once deemed OOS, containers should be further classified into the following subcategories:

- Market – IF or local containers that the Market intends on repairing.
    - Market Light – Repairs that are above the red line on the existing IF Container Repair Request and Reimbursement Form.
        - Pressure Wash
        - Paint
        - Patch
        - Signs
        - Skid
        - Latch
    - Market Heavy - Repairs that are below the red line on the existing IF Container Repair Request and Reimbursement Form.
        - Roof
        - Panel
        - Door
        - Disposal
        - Floor
- HUB – Containers that need to be relocated from a market to a Parts & Service repair facility.
- Sublease - Containers that are utilized to separate Subleased areas

Naturally, classifying an OOS container as Market or HUB will depend on the proficiency and capacity for repair within the local market as well as the inbound/outbound market repair strategy. To aid in

following repair standards, container repair instructions and guidelines are available on the Corp Ops Intranet https://wearepodsintranet.pods.com/corporate-operations-equipment-maintenance/.

The primary purpose of this classification system is to uphold container brand standards while avoiding unnecessary transportation costs. As such, logistics must also be adequately considered when classifying OOS containers as Market or HUB. Generally, outbound markets should handle all repairs that can be conducted in the local market and should not ship any containers to a P&S HUB if the repairs can be handled locally. The reason being is that containers shipped from outbound markets to repair HUBS are often shipped back to the originating market once repairs are complete. This leads to additional and unnecessary transportation expenses.

SYSTEM CLASSIFICATION (RBMS):

Container status must be accurately reflected in the system. Typically, OOS containers are assessed at the market level and the system is not always updated to reflect the current status. As a result, the number of local and IF OOS containers has been consistently understated, and such inaccurate reporting can hinder effective management of the business.

Exceptions: Containers used for separation of Subleased area use "Subleased" as designated note. Auction Containers marked as "Auction" as designated note.

Per policy, accurate container status must be reflected in the system within 24 hrs of FPU. Further, OOS status in RBMS must be manually entered in the Mark a Container OOS pop-up with the following standards:

To ensure consistency, all OOS notes must now follow this format:

[Repair Location] [Repair Level] – [Repair Types]

Market or Hub Light or Heavy - Sign, Roof, Etc.

Additional notes specifying the repairs needed are Mandatory and should be limited to only the following types:

- Roof
- Panel
- Pressure Wash
- Paint
- Patch
- Signs
- Skid
- Door
- Latch
- Disposal
- Floor
- Frame

The "OOS Auction" status should be applied to containers that are listed as empty in RBMS but cannot be rented as they are in auction status and/or still hold customer contents after FPU.

CONTAINER TAGGING AND IF RELOCATION:

Unnecessary transportation costs should always be avoided. Further, when substandard empty containers are relocated, substantial frustrations and inefficiencies are brought upon the receiving market. Thus, to ensure that damaged "in-service" containers are not being moved between markets ("pass the trash"), it is required that only ready-to-rent containers are shipped to other markets as part of IF relocation efforts. Similarly, only OOS HUB containers should be transported to repair HUBS. Any exceptions must be formally coordinated in conjunction with the PODS Logistics Department. To facilitate this objective, empty containers awaiting transportation should be tagged as follows:

- In-Service (Ready-to-Rent) – Green Tag
- OOS HUB – Red Tag

The colored tag must be affixed to the latch in a closed position and should also indicate the inspector's name, market, and date of inspection. Further, red-tagged, and green-tagged containers should also be physically separated into distinct stacks whenever possible. In no instance should an untagged container be loaded for IF transportation.

Accordingly, as specified on the manifest for a given trip, IF carriers and forklift operators should both have a clear understanding of which types of containers should be loaded for transportation. For example, if a manifest requires two "Green Tag" 16-ft containers and one "Red Tag" 12-ft container, the forklift operator should load two 16-ft containers with green tags and one 12-ft container with a red tag. Further, to avoid door damage while in transit, all container doors must have a closed latch secured by the tag's zip-tie. On the corresponding manifest, the forklift operator is then required to certify that all loaded container IDs match what is listed on the manifest, and that all containers have been tagged and inspected to ensure that each container's status (in-service/OOS) conforms to brand standards, Similarly, the IF carrier must confirm that the loaded container IDs agree to the container IDs listed on the manifest.

Adherence to these standards should eliminate any confusion on which containers should be shipped between markets and which should be shipped to P&S repair HUBs.

In the event that a market or franchise is found to be non-compliant with this policy, a **$300 penalty** (per container) will be imposed on the market or franchise deemed responsible for the violation. For example, if a manifest requires three in-service containers and two of the containers transported are deemed unsuitable for rent, a penalty of $600 (2 x $300) will be assessed on the originating market if it is determined they were responsible for shipping the improperly statused containers. A designated moderator will handle disputes over container damage and ultimately determine if violations have occurred. All disputes should be sent to StatusSupport@pods.com and must include container ID, photos, and a copy of the receiving manifest illustrating the signatures and checks.

As the majority of IF containers pass through HUBs during the relocation process, HUBs will also be held accountable and are subject to the $300 penalty. When receiving and dispatching containers, HUB personnel must ensure that each container's condition is consistent with what is stated on the manifest and colored tag. Any discrepancies identified by the HUBs should be adequately documented, as disputes involving HUBs will also be handled by the moderator at StatusSupport@pods.com.

CONTENTS DISPOSAL:

Prior to shipment of an OOS container, the originating market must also ensure that each container is free of any contents, such as leftover customer property, waste, or debris. In the event that a container with contents is received by a repair HUB, the originating market may be subject to a $400 labor and disposal fee, upon examination of the circumstances. The procedures for documenting and reporting such instances are as follows:

i. Repair HUB personnel must take photos of the container, with container ID and contents clearly visible, and provide the photo evidence to FixedAssets@pods.com. HUBs must

refrain from disposing of contents or proceeding with container repair until further instructions are received from Asset Management.

ii. Asset Management will review the information provided and determine the appropriate course of action.
    a. If contents disposal is NOT deemed appropriate, the HUB will be notified, and an alternative course of action will be determined.
    b. If contents disposal is deemed appropriate, notification will be sent to the HUB, confirming that disposal of contents is approved.

iii. Upon approval from Asset Management, HUB personnel must then empty the container before proceeding with repair procedures.

iv. Asset Management will charge the originating market for labor and disposal cost, if deemed necessary.

IN-TRANSIT DAMAGE:

Due to the nature of transportation, containers occasionally sustain damage while in-transit. Upon arrival at any logistics HUB or destination market, any notable damage should be documented and forwarded to StatusSupport@pods.com. Further, receiving markets should conduct any light repairs (e.g. – missing signs or reflective tape) prior to further transportation or customer delivery. Heavy damage should be photo-documented, and any repairs should be coordinated with the Parts & Services department.

Similarly, if the container sustains damage while rented, light repairs should also be conducted by the receiving market prior to further transportation or customer delivery. If the container is heavily damaged (e.g. – broken door, leaking roof, bent frame, etc.), any repairs should be coordinated with both Legal and Parts & Services. On no occasion should a rented container be opened (via roof, door, or any other capacity) without documented consent from the Legal department.

Upon arrival at any logistics HUB, any notable damage should be documented and communicated to StatusSupport@pods.com. For containers with heavy damage, protection of customer contents should be ensured before further transportation. In doing so, one of the following actions should be taken:

i. Have HUB personnel conduct the needed repairs by plugging or patching a potential leak point.

ii. If the HUB location is shared with a repair facility, have the repair facility conduct the needed repairs.

iii. If the repair cannot be conducted at the HUB, the HUB should contact Logistics to assess the situation and determine if the container should be repaired at the nearest market or returned to the originating market for repair.

OVERSIGHT AND MONITORING:

Compliance with this policy will be administered by Corp. Ops. Management, Franchise owners and managers and/or other designated personnel. In addition, to help sponsor this policy, the Internal Audit Department will test compliance with this policy via their periodic audits of the Corp. Ops. and Franchise markets. The requirements will also be included in the self-audit process. As a result, any noted examples of non-compliance will need to be cured as part of the audit remediation process.

To ensure that the OOS container status is updated timely, it's required that all OOS containers are accurately classified as being in an OOS status in the system within 24hrs of FPU. Additionally, to help support this policy, a standard of either no more than 5% of empty containers or 10 containers per market can be incorrectly classified from a conditioning standpoint.

QUESTIONS/COMMENTS:

Any questions or comments surrounding this policy should be forwarded to the SVP of Corp. Ops, Franchise Management team or the Director of Internal Audit.

Policy Revision History:

Date	Revised by	Revision Description
4/1/2020	David Juan	New
5/12/2021	David Juan	Added contents disposal procedures
5/1/2025	Alejandro Velarde	Updated links, penalties and verbiage
2/9/2026	Samuel Fresquez	Updated Classification requirements/SLA
4/24/26	Samuel Fresquez	Added Sublease Classification